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NATIONAL FOOD Situation

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Table 1.--Consumer, wholesale, and farm price indexes, 1968-69
(1957-59=100)

Item	1968	1969					Percent change 1968-69
		I	II	III	IV	Year	
							Pct.
Retail prices: 1/							
All goods & services (CPI)	121.2	124.8	126.9	128.7	130.5	127.7	5.4
All items less food	121.9	125.8	127.9	129.4	131.4	128.6	5.5
All food	119.3	122.1	124.1	127.2	128.4	125.5	5.2
Food at home	115.9	118.3	120.3	123.4	124.2	121.5	4.8
Food away from home	136.3	140.8	142.9	145.8	149.0	144.6	6.1
Wholesale prices: 1/							
All commodities	108.7	111.2	112.6	113.4	114.6	113.0	4.0
Industrial commodities	109.0	111.4	112.2	112.8	114.2	112.6	3.3
Farm products	102.2	105.5	109.1	109.3	110.2	108.5	6.2
Processed food	113.3	115.8	119.6	122.0	122.2	119.9	5.8
All food 2/	112.2	115.4	118.1	120.2	122.1	119.0	6.1
Prices received by farmers: 3/							
Crops	102	101	104	98	99	100	-2.9
Livestock and products	112	117	124	128	130	125	11.6
Average	108	110	115	115	117	114	5.6
Market basket of U.S. farm foods: 4/							
Retail cost	113.7	115.8	118.2	121.5	121.9	119.4	5.0
Farm-retail spread	114.9	115.3	115.1	118.1	119.5	117.0	1.8
Farm value	112.0	116.7	123.0	126.8	125.7	123.0	9.8

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

NATIONAL FOOD SITUATION

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SUMMARY

Americans ate a record amount of food per person last year and paid over 5 percent higher prices for it. This year, despite a slight further increase likely in food supplies per person, retail prices will again rise--perhaps $3\frac{1}{2}$ to 4 percent--reflecting continued strong demand.

Food consumption per person in 1969, at a record 106.0 percent of the 1957-59 average, slightly exceeded a year earlier. The increase came primarily in chicken and turkey, vegetable oils, fresh and processed fruits, and processed potato products. Consumption of red meat per person was slightly less, with more beef but less veal, lamb, and pork. Consumption of eggs, milk, and most manufactured dairy products declined. Cheese consumption increased.

Despite the continued high level of availability, retail food prices moved up sharply in 1969. The average for the year was 5.2 percent higher than in 1968, and prices in December were 7.2 percent above a year earlier. Restaurant food prices moved up steadily throughout the year. Red meats and eggs led in price advances for store-bought food. Most other food store items also moved up, but prices of fats and oils leveled and prices of fresh fruit declined.

Per capita food supplies are expected to show a further slight gain in 1970. Consumption of poultry and processed fruits likely will be up substantially, and consumption of eggs and fish probably will rise moderately. Beef production and consumption will be up, but veal and lamb will again be down. Pork production will be down until later in 1970, then increase, so that total red meat consumption per capita may be about the same as last year. Farmers' intentions to have 3 percent more sows farrow in December-May indicate increased hog numbers for slaughter in the second half of 1970.

Retail food prices in 1970 again may be up, possibly 3½ to 4 percent. Although sharply wider as 1970 began, the price margin over last year is expected to narrow, as supplies become more plentiful and measures to slow the rapid increase in prices generally take more effect.

Meat prices began the year about 10 percent higher than in early 1969 but differences are expected to be narrow by fall. Dairy product prices probably will increase gradually. But egg prices are likely to decline more than seasonally as production increases over last year's levels. Broiler prices will rise seasonally through the summer, although by year-end they may be below 1969. Among the crops, fresh fruit supplies are plentiful and prices will be lower than last year at least until summer. Prices of fresh vegetables currently are higher than a year ago but may be lower after the winter quarter. Processed fruits and vegetables are in ample supply. Prices of cereal and bakery products are expected to advance moderately with further increases in processing costs.

Food expenditures in 1969 at $103.8 billion increased 4.4 percent over a year earlier. This rate of gain was less than that in disposable personal income. The proportion of income spent for food declined from 16.8 percent in 1968 to 16.5 percent in 1969. A further decline in the proportion of income spent for food is likely this year.

FOOD PRICES

Food prices rose each year in the 1960's for an average of 2½ percent per year. The 5.2 percent increase in 1969 far exceeded increases in other years except 1966. Steepest rises in 1969 were from June on (fig. 1). Prices leveled out in September and October but then rose sharply again in the closing months. In December retail food prices were 7 percent above a year earlier.

Retail store prices of food averaged 4.8 percent higher last year while prices paid for food eaten away from home increased 6.1 percent. Consumer prices for all items other than food, with a rise of 5.5 percent in 1969, increased slightly more than prices for food. Over a 10-year period food price increases have not quite kept pace. In 1969 they remained 2 percent below the price increase for all consumer goods and services compared with 1957-59 (fig. 2).

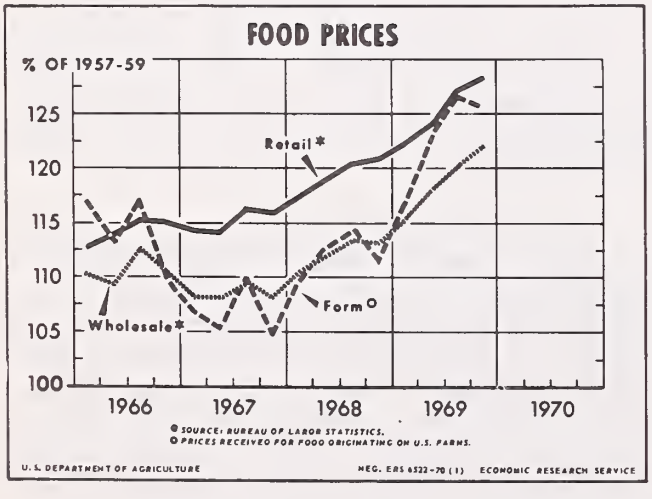

Figure 1

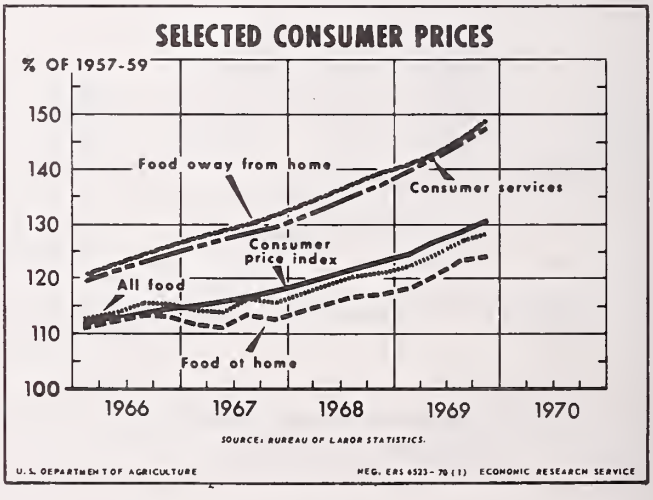

Figure 2

Livestock and poultry products accounted for three-fourths of the food price rise in 1969. Red meat prices rose

nearly 9 percent. Prices of eggs rose 17.6 percent, the largest increase for any one food category. The following tabulation provides the details.

Item	Price increase over 1968	Contribution to the total food price increase
	Pct.	Pct.
Meat	8.9	45
Poultry	5.7	5
Fish	5.5	3
Dairy products	3.2	10
Eggs	17.6	13
Fats and oils	0	0
Fruits and vegetables	1.3	4
Sugar and sweets	5.5	4
Cereal and bakery products	2.9	8
Beverages	2.7	3
Other preparations	3.4	5
All food consumed at home	4.8	100

Retail prices for foods originating on U.S. farms increased about the same as all food used at home in 1969 (table 1). Prices that farmers received for food commodities increased nearly 10 percent and accounted for about three-fourths of the increase in retail food prices. Farmers' share of the retail food dollar increased from 39 cents in 1968 to 41 cents in 1969.

Price Trends At Yearend

In the closing months of 1969 retail prices for beef, pork, other red meats, and eggs were running more than a tenth above a year earlier. Prices for other food groups also averaged higher, but the increases were less.

Price increases from November to December were largest for eggs and fresh vegetables, with all food prices averaging 1½ percent above November. Beef and poultry were the only major food groups showing price declines in December.

Price changes were as follows:

Item	December 1969 increase: From November 1969	December 1969 increase: From year earlier	Annual increase in 1969
	Pct.	Pct.	Pct.
All food at home	1/1.4	7.2	4.8
Meat	.8	12.1	8.9
Beef	1/-.4	10.0	10.0
Pork	1/2.3	16.0	8.9
Fish	1/ .7	7.2	5.5
Poultry	-1.2	7.3	5.7
Dairy	1/1.1	4.1	3.2
Cheese	1/1.1	7.9	5.5
Eggs	1/9.0	25.3	17.6
Fruits and vegetables	1/2.8	4.5	1.3
Fresh	1/5.0	6.6	1.5
Processed	.3	1.2	.9
Sugar and sweets	.7	4.5	5.5
Cereal and bakery	.6	4.0	2.9
Beverages	1.2	5.0	2.7
Other preparations	.6	4.1	3.4

1/ Seasonally adjusted.

January Wholesale Food Prices Advance

Preliminary data indicate that a 1.2 percent increase in wholesale food prices from December to January brought the level of these prices 8 percent above those in January 1969. The January rise was a little steeper this year than last.

The rise reflected increases of 4 to 5 percent for beef, pork, and fresh vegetables. Fish prices rose 3 percent, sugar and confectionery 2 percent and beverages (primarily because of coffee) 1 percent. Egg prices moved lower and vegetable oil products declined slightly. Little or no change was recorded for poultry, dairy products, processed fruits and vegetables and cereal and bakery products.

Wholesale prices for food averaged 6 percent higher in 1969 than in 1968. A sharp increase from the first to second quarter was followed by some slowing in the second half of the year. However, by the fourth quarter of 1969 wholesale food prices were 8 percent higher than a year earlier. Meat prices eased from third quarter levels due to an 8½ percent drop for beef and veal, but egg prices were up 20 percent, coffee around 25 percent, and the 8 percent increase for fresh fruit and vegetable prices, mostly seasonal, slightly exceeded the previous year's rise.

The Price Outlook

Average retail food prices may be up 3½ to 4 percent in 1970 compared with 1969. The retail food price index in December 1969 was 3.6 percent above the average for the whole year. Gains in prices of food away from home likely will again outstrip those for store-bought food, and increases for livestock products, particularly red meats, will be larger than for crop foods.

Meat prices began the year about 10 percent higher than in the early months of 1969, but differences are expected to be narrow by fall. Egg prices likely will drop in coming months and for the year will run a little lower than in 1969. Chicken prices may average lower, too, if production expands as now expected. The gradual increase in dairy product prices is likely to continue.

Less clear is the outlook for prices of foods from crops, some of which are considerably dependent on weather. However, fresh fruit supplies are plentiful now and prices likely will be at lower levels than last year until the new-crop outlook is known. Fresh vegetable prices may be higher during the first quarter, but at or below prices of 1969 for the rest of the year. Prices for processed fruits and vegetables likely will average at about last year's level, with vegetables higher but processed fruits lower. Retail coffee prices moved up strongly in December and for 1970 are expected to average much above those last year. The usual advance, associated with increased processing and marketing costs, is expected for cereal and bakery products.

FOOD SPENDING AND INCOME

Food Expenditures Rise Less Than Income

Food expenditures in 1969 at $103.8 billion increased 4.4 percent over a year earlier. Meanwhile, disposable personal income advanced more sharply, by 6.7 percent. Thus, the proportion of income spent for food declined from 16.8 percent in 1968 to 16.5 percent last year (table 2, fig. 3).

The continued upward trend for disposable personal income expected this year, buoyed by the phased elimination of the surtax and increased transfer payments, will likely result in food expenditure increases about the same as 1969's $4½ billion. Price increases are expected to slow and, as last year, consumers may be inclined to select lower cost foods. Per capita food supplies likely will increase a little. A further decline is likely in the proportion of income going for food.

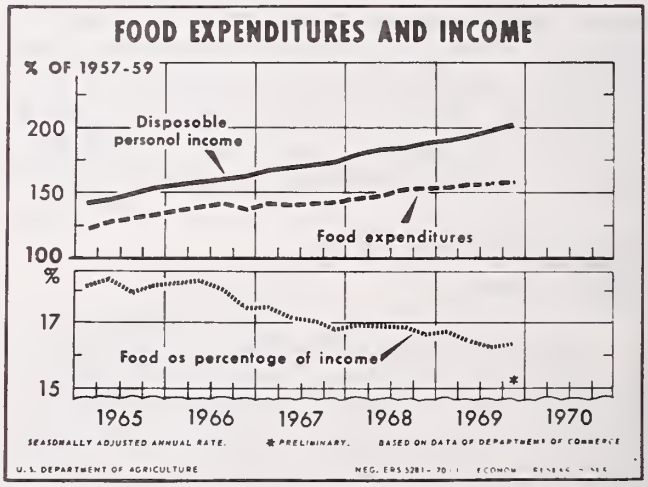

Figure 3

During the 1960's, food expenditures increased 48 percent: Spending for food at home increased 45 percent, and spending for food away from home increased 61 percent. Prices for food eaten away from

Table 2.--Expenditures for food in relation to disposable income, 1960-69

Year	Disposable personal income	Personal consumption expenditures for food 1/					
		For use at home 2/		Away from home 3/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1961	364.4	58.5	16.1	13.6	3.7	72.1	19.8
1962	385.3	60.3	15.6	14.1	3.7	74.4	19.3
1963	404.6	62.0	15.3	14.5	3.6	76.5	18.9
1964	438.1	65.1	14.9	15.4	3.5	80.5	18.4
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.5	74.2	13.6	19.4	3.5	93.6	17.1
1968	590.0	78.7	13.3	20.7	3.5	99.4	16.8
1969 4/	629.6	82.3	13.1	21.5	3.4	103.8	16.5

1/ Derived from data of Department of Commerce, Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 Census of Business, Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and nonpersonal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. 2/ Includes food consumed on farms where produced. 3/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 4/ Preliminary.

home rose faster than for store-bought food, accounting for much of the difference in the spending rates.

The expenditure gain in terms of constant dollars was 18 percent for food away from home, compared with 16 percent for food used at home. The index of food consumed per capita in constant dollars increased 5 percent in the 1960's, and population 12 percent.

Sales by Chains Rise Faster

Grocery store sales represented 20 percent of all retail store sales in 1969. Of the grocery store total, chain grocery stores accounted for more than half of total sales in 1968 and 1969.

Chains represented a much smaller proportion of total sales by eating and drinking places, but the share advanced more. Chains accounted for about 9½% of eating and drinking place sales last year, compared with 8½% a year earlier. 1/

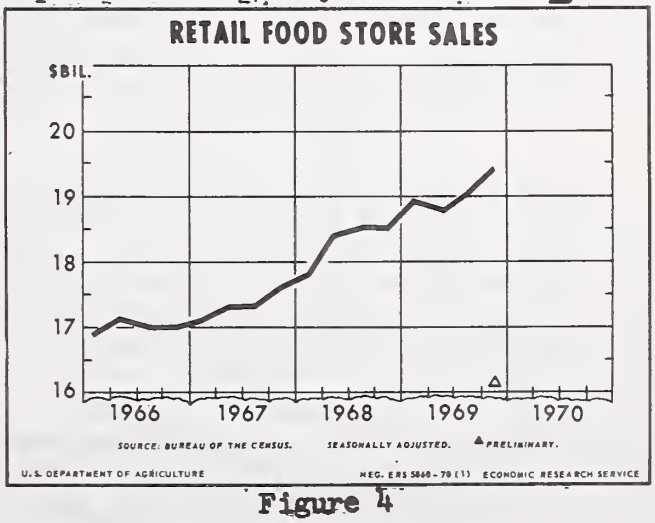

Figure 4

1/ Chains are defined as firms with 11 or more outlets. Franchised operations are not counted, except (1) when the company owns the outlet or (2) when proprietors own 11 or more franchised outlets.

FOOD SUPPLY AND UTILIZATION

Total net utilization of farm food commodities rose less than half of 1 percent during 1969 compared with over 2 percent in the previous year (table 3). 1/ Virtually all of the 1969 increase came from the 2 percent increase in utilization of crop food commodities. There was little change in use of livestock products. Domestic food use increased over 1 percent and nonfood use of food products increased nearly 5 percent. Estimated export volume of food commodities was down 7 percent in calendar 1969 (11-month data), following a slight increase in the previous year. The estimated increase in exports of livestock products failed to offset a more substantial decline in exports of crop products, mostly reflecting smaller wheat shipments.

Beef production in 1969 was slightly higher than in 1968, pork was down, and total meat output about the same. Poultry output was up, but egg production declined slightly. The downtrend in milk production was less than 1 percent.

There was a slight increase in output of crop commodities in calendar 1969. Fruit production was up considerably, led by apples, peaches and citrus fruit (largely oranges). Vegetable production was down, but potato production and dry bean output were up. The decline in wheat production was partly offset by increased output of rice and soybeans. Total output of sugar (excluding Puerto Rico) and peanuts was about the same as in 1968.

The volume of imports of farm food commodities declined an estimated 8 percent in 1969 from the previous year. This resulted from an estimated 10 percent decline in imports of crop products and a slight increase in imports of livestock commodities. Imports of virtually all crop products were stepped up in late 1968--particularly sugar, coffee, tea, and cocoa and chocolate products--in anticipation of the Atlantic and Gulf Coast dock strike beginning December 20, 1968, and continuing at most ports into late February 1969 (table 4).

Outlook for 1970

Annual utilization of farm food commodities this year is expected to increase a little, perhaps 1 to 2 percent from 1969. Domestic food use--which accounts for about 84 percent of total utilization--is expected to be larger than last year. Exports of farm food commodities are also expected to increase.

Manufacturers' Shipments

Manufacturers' shipments of food and kindred products increased significantly during 1969. 2/ Eleven months' data show a 7.5 percent increase over a year earlier. The rate of increase declined from 8.5 percent during the first 2 quarters to 5.3 percent in the third quarter, then recovered sharply in the fourth quarter. Rising wholesale prices were the major factor in the rise in value of shipments in 1969. Wholesale prices for processed foods rose approximately 6 percent. The largest increases in value of shipments were made by manufacturers of soybean oil, fresh and processed meats, cheese, and processed fruit products. Only slight gains were registered in value of shipment of coffee, flour and bakery products, cocoa and chocolate products, other fats and oils, and other dairy products (table 5).

Manufacturers of food and kindred products apparently attempted to keep their inventories as low as possible last year as financing became tighter and more expensive. Consequently, on a seasonally adjusted basis there was little change in inventory levels during 1969. Since shipments rose while inventories remained

1/ Farm food commodities are any agricultural products having a food or beverage use, including coffee, tea and cocoa.

2/ Included in shipments are values of all products sold, transferred to other plants of the same company, or shipped on consignment.

Table 3.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1964 to date 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic use: Food: Civilian	Utilization: Domestic use: Food: Military	Utilization: Domestic use: Nonfood: Seed and feed	Utilization: Domestic use: Nonfood: Other	Utilization: Domestic use: Total	Utilization: Exports and shipments 4/
	A.--All food commodities (1957-59=100) 5/									
1964	110.9	102.6	119.5	118.0	112.1	113.3	---	104.4	111.8	181.4
1965	116.1	101.4	108.8	117.4	112.1	127.6	---	108.4	112.3	170.3
1966	114.4	109.7	110.0	120.4	114.0	136.2	---	110.2	114.3	183.4
1967	123.8	110.2	102.9	121.9	117.8	140.9	---	105.5	117.8	164.5
1968	124.1	123.0	112.2	124.5	120.7	138.0	---	107.2	120.5	165.3
1969 6/	124.0	113.1	119.8	124.7	122.5	119.6	---	107.0	121.9	153.7
	Livestock food commodities (1957-59=100)									
1964	114.4	137.9	133.6	115.6	114.4	112.8	98.5	94.5	111.8	192.1
1965	112.5	130.1	106.5	113.2	113.4	124.1	94.7	93.6	111.0	132.6
1966	114.6	172.5	88.3	115.2	116.1	132.8	100.1	87.4	113.7	104.7
1967	118.5	181.7	102.4	118.7	120.0	143.8	88.1	90.9	117.2	106.6
1968	119.2	198.9	131.9	121.2	122.6	143.5	85.1	93.6	119.6	113.3
1969 6/	119.5	201.0	114.7	121.6	123.6	120.7	83.9	89.1	119.9	115.7
	Crop food commodities (1957-59=100)									
1964	106.0	97.1	118.8	117.6	107.2	114.8	110.5	110.3	108.7	178.9
1965	117.5	96.7	108.9	118.7	109.4	135.9	109.2	117.4	109.9	179.1
1966	118.1	100.2	111.1	127.5	109.6	148.0	125.4	124.0	116.7	201.9
1967	128.0	99.7	102.9	123.8	113.0	130.9	119.9	114.3	115.9	178.1
1968	130.0	111.7	111.2	127.4	116.4	118.8	125.8	115.4	120.1	177.5
1969 6/	132.1	100.2	120.1	129.9	120.1	115.8	133.3	117.7	125.2	162.7
	B.--All food commodities: Percentage of annual utilization 5/									
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969 6/	91.0	10.4	-1.4	100.0	84.8	1.5	---	2.8	89.1	10.9
	Livestock food commodities: Percentage of annual utilization									
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969 6/	96.1	3.5	.4	100.0	92.3	1.9	1.9	1.4	97.5	2.5
	Crop food commodities: Percentage of annual utilization									
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969 6/	89.0	13.9	-2.9	100.0	45.1	.6	35.1	3.2	84.0	16.0

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities and comparable data for 1950-63, see National Food Situation, NFS-124 (May 1968), pp. 15-17. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary.

Table 4.--Volume of farm marketings and home consumption 1/
(1957-59=100)

Item	1968	1969 Preliminary	Percentage change
			Percent
All farm commodities	123	124	1
Food marketing and home consumption	122	121	-1
Food marketings	126	126	0
Total food livestock	124	125	1
Meat animals	130	130	0
Poultry and eggs	138	141	2
Dairy products	103	103	0
Total food crops	129	129	0
Food grains	142	128	-10
Vegetables 2/	119	115	-3
Fruit and nuts	109	132	21
Sugar crops	175	177	1
Home consumption	46	45	-2
Livestock	45	44	-2
Crops	49	48	-2
Nonfood marketings	129	131	2

1/ Quantities of farm products weighted by constant farm prices. Data on a 50-State basis. Data beginning 1910 reported in Food Consumption, Prices and Expenditures, Agric. Econ. Report No. 138, July 1968, p. 163, are on a 48-State basis.
2/ Includes potatoes, dry edible beans, and melons.

about the same, the inventory-shipments ratio dropped from 94.7 percent in January last year to 83.8 percent in November.

Looking ahead, the value of manufacturers' shipments is expected to rise about 5 percent this year, compared with 7.5 percent in 1969. Since production of many farm food products is expected to continue upward, and the rise in wholesale prices to slow, volume gains may account for a larger share of this year's increase.

The overall value of shipments by beverage manufacturers in 1969 rose about in line with the value of shipments by food manufacturers, and a similar situation is likely this year. (See table 5.) Shipments of soft drinks and flavorings rose more rapidly than alcoholic beverages. This increase, expected to repeat, reflects rapid population growth in the high sugar consuming age groups, plus rising incomes.

Per capita consumption of soft drinks totaled 22.2 gallons last year, up from 20.7 gallons in 1968. In comparison, per capita consumption of malt liquors (mostly beer) totaled 17.7 gallons in 1969, up from 17.4 gallons in 1968.

Table 5.—Value of shipments for specified food and beverage industries, 1960-70

Industry	1960	1963	1965	1967	1968 1/	1969 1/	Change 1968-69	Forecast 1970 1/	Change 1969-70
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Pct.
Malt liquor	2,180	2,315	2,497	2,954	3,087	3,226	4	3,370	4
Wines and brandy 2/	279	368	396	433	458	484	6	512	6
Distilled liquor*	927	1,090	1,288	1,371	1,437	1,506	5	1,578	5
Canned and bottled soft drinks	1,806	2,211	2,505	3,178	3,451	3,748	9	4,070	9
Flavorings	548	730	837	1,148	1,235	1,329	8	1,430	8
Total beverages	5,740	6,714	7,523	9,084	9,668	10,293	7	10,960	7
Meat packing plants	11,828	12,465	13,931	15,355	16,330	18,176	11	19,048	5
Sausage and other prepared meat products	2,008	2,172	2,323	2,633	2,700	2,970	10	3,091	4
Poultry and small game dressing and packing, wholesale	2,054	2,240	2,490	2,886	3,009	3,200	6	3,350	5
Cheese, natural and processed	994	1,171	1,325	1,710	1,813	1,967	8	2,096	7
Condensed and evaporated milk	936	936	1,050	1,167	1,214	1,268	4	1,322	4
Ice cream and frozen desserts	1,048	1,072	1,085	1,061	1,102	1,145	4	1,190	4
Fluid milk	6,763	7,026	7,185	7,834	8,187	8,555	4	8,940	5
Canned specialties*	989	1,166	1,368	1,491	1,684	1,809	7	1,937	7
Canned fruits, vegetables, preserves, jams and jellies*	2,516	2,730	2,982	3,414	3,607	3,803	5	4,003	5
Pickles, sauces and dressings	630	676	784	859	933	989	6	1,046	6
Frozen fruit, fruit juices, vegetables specialties*	1,207	1,535	1,816	2,047	2,299	2,491	8	2,686	8
Flour and other grain mill products	2,240	2,176	2,146	2,383	2,433	2,484	2	2,536	2
Prepared feeds for animals and fowls	3,262	3,880	3,987	4,640	5,043	5,355	6	5,673	6
Bread and other bakery products, except cookies and crackers	4,333	4,506	4,709	5,083	5,276	5,476	4	5,684	4
Cookies and crackers	1,051	1,150	1,236	1,367	1,453	1,528	5	1,591	4
Cane sugar refining	1,068	1,271	1,182	1,327	1,388	1,446	4	1,505	4
Candy and other confectionery products	1,318	1,455	1,553	1,799	1,931	2,045	6	2,160	6
Chocolate and cocoa products	451	479	453	526	522	536	3	551	3
Soybean oil mills	1,133	1,464	1,732	1,900	1,850	2,150	16	2,200	2
Roasted coffee	n.a.	1,846	2,090	2,064	2,066	2,068	0	2,070	0
Shortening, table oils, margarine and other edible fats and oils n.e.c.	1,052	1,292	1,489	1,629	1,600	1,650	3	1,700	3
All other food and kindred products (except beverages)	n.a.	9,838	9,651	10,324	11,043	11,706	6	12,174	4
Total food	57,224	62,547	66,567	73,499	77,483	82,817	7	86,553	5
Grand total	62,964	69,261	74,090	82,583	87,151	93,110	7	97,513	5

1/ Estimates and forecasts by Business and Defense Services Administration (BDSA), U.S. Department of Commerce.

2/ Prior to 1965, brandy was included in distilled liquors.

* Value of production.
n.a. = not available.
n.e.c. = not elsewhere classified.

Source: Adapted from U.S. Industrial Outlook—1970, "Food Products and Beverages," BDSA, U.S. Department of Commerce, Washington, D.C., December 1969, pp. 80 and 95.

CONSUMPTION AND DEMAND

Food consumption per person increased slightly in 1969, with most of the gain occurring in the crop foods (table 6). Meat and fish consumption per capita was nearly the same as in 1968; poultry consumption was larger (table 7). Consumption of eggs and dairy products was smaller. Continuing the trends of recent years, consumption per person of animal fats declined, while that of vegetable oils increased. Other notable increases occurred in fresh and processed fruits and processed potato products.

Food from Livestock

Total red meat production remained record large in 1969, but supplies did not keep pace with the growth in population. Consumption per person at 182 pounds was down slightly from the record 183 pounds in 1968 (table 8). Beef consumption per person was about a pound larger but consumption of all other red meats was smaller. Consumer demand for meat remained unusually strong because of increases in consumer incomes. Retail meat prices rose sharply, especially in the late spring and summer. Although prices have moderated since, the BLS index of retail meat prices for 1969 averaged 9 percent higher than for 1968.

In the first half of 1970, per capita consumption of red meat will likely continue slightly below a year earlier. Beef consumption will increase but this will be more than offset by reduced supplies of pork and veal. Retail meat prices in the next few months probably will continue around fall levels and well above a year earlier. Pork prices will be substantially higher than a year ago.

Beef production and imports increased faster than population again in 1969, and beef consumption of 110.7 pounds per person set a new record for the fourth consecutive year. Continued increases in cattle feeding indicate per capita beef supplies in the first half of 1970 will be larger than a year earlier.

The retail price of Choice grade beef rose from about 90 cents per pound in January-March to a peak of 102.5 cents in July. Prices then eased to 95.3 cents in October, but rose in November and December. Prices in December were $8\frac{1}{2}$ cents above a year earlier. Retail beef prices likely will hold generally steady during the next few months.

Pork consumption per person declined to less than 65 pounds in 1969 from 66 pounds in 1968, with the decline coming largely in the closing months of 1969. Pork consumption is expected to continue below late 1969 levels and below a year earlier until late in 1970. Hog-corn price relationships strongly favor increased hog production and producers apparently are taking measures to increase output.

Retail pork prices held mostly steady in early 1969, but rose rapidly in the summer and fall. In December, prices were 13 cents higher than a year earlier. In 1970, retail pork prices likely will move up from current levels until later this year.

Lamb and mutton consumption in 1969 was again smaller, 3.4 pounds per person compared with 3.7 pounds in 1968. Consumption likely will decline about the same amount in 1970. Retail prices of lamb are expected to average higher in 1970.

Egg production in the first half of 1970 likely will be 2 to 3 percent above year-earlier levels. But hatcheries will use part of the increased production to supply increases in chicken meat production; also, breakers will act to replenish stocks of processed eggs. Frozen egg inventories on January 1, 1970, were 41 percent below a year earlier and at near record-low levels. Per capita egg supplies during the first half, however, likely will be above those of a year earlier. Output may rise more in the second half of 1970. Egg prices in early winter

Table 6.--Food consumption per capita, 1960-69 1/
(1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	102	102	98	94	98	92	106	99	97	102	99
1961	101	112	102	92	97	94	103	99	93	99	96
1962	102	110	101	92	97	93	107	100	89	103	95
1963	105	112	102	89	97	89	112	101	80	94	87
1964	108	114	99	89	97	87	119	103	85	91	88
1965	104	122	103	88	96	83	121	102	87	96	92
1966	106	131	102	88	95	75	134	105	87	97	92
1967	110	136	102	91	93	75	131	104	87	107	97
1968	113	134	104	90	94	77	137	107	85	104	94
1969 4/	113	142	104	88	93	73	141	108	88	109	98

	Vegetables 5/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 6/	Total
1960	100	103	101	94	131	100	102	101	99.6	101.5	100.5
1961	98	104	99	92	137	99	102	102	99.7	100.7	100.1
1962	95	109	99	88	150	98	103	103	100.1	100.8	100.4
1963	94	109	99	90	160	97	103	106	101.3	100.2	100.8
1964	93	111	98	82	178	98	103	103	102.8	100.7	101.8
1965	93	116	99	77	202	98	103	100	100.9	102.0	101.4
1966	91	118	99	77	229	96	104	100	102.1	103.0	102.5
1967	93	122	102	73	234	97	104	101	104.1	104.5	104.3
1968	92	126	102	73	247	98	106	101	105.7	105.4	105.6
1969 4/	92	127	102	71	255	97	107	101	105.4	106.7	106.0

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years, are given in table 2, National Food Situation, NFS-124 (May 1968), p. 2, and in table 1, Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968. 2/ Includes butter. 3/ Excludes melons and baby food. 4/ Preliminary. 5/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. 6/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 7.--Livestock products: Per capita civilian consumption indexes, quarterly, 1966-69 1/
(1957-59=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products		Animal fats, including butter	Total livestock products 2/
					Excluding butter	Including butter		
1966	I	101.9	103.2	88.4	98.7	96.9	80.1	98.8
	II	104.2	120.0	85.8	98.4	95.8	71.7	100.5
	III	106.9	139.4	86.7	97.3	93.9	70.1	102.9
	IV	110.3	159.7	91.5	94.4	92.5	77.0	105.9
1967	I	110.7	110.3	90.9	95.1	93.2	77.8	102.4
	II	108.6	128.3	88.3	98.4	95.4	70.3	103.4
	III	110.2	143.2	90.0	94.8	92.0	73.0	104.3
	IV	111.0	164.0	93.9	92.4	90.7	79.4	106.2
1968	I	111.9	114.2	92.7	97.1	95.0	79.7	104.1
	II	110.7	123.7	88.5	98.1	95.5	74.6	104.1
	III	114.0	139.0	87.8	96.2	93.3	73.0	106.1
	IV	116.1	159.5	90.8	93.3	91.5	80.7	108.3
1969 3/	I	113.6	117.7	89.8	96.4	93.9	74.4	104.4
	II	109.4	133.1	87.2	97.4	94.5	68.3	103.6
	III	113.4	148.6	85.7	94.5	91.8	73.0	105.8
	IV	114.8	167.6	90.1	92.3	90.2	77.3	107.8

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combine in terms of average 1957-59 retail prices. Data since 1955 are in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.

2/ Excludes fish and honey.

3/ Preliminary.

Table 8.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1965-69 1/

Commodity	Average 1957-59	1965	1966	1967	1968	1969 preliminary	1969 as percentage of 1968
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent
Meats (carcass weight)	156.6	166.7	170.5	177.5	182.7	182.3	100
Beef	82.1	99.3	104.0	105.9	109.4	110.7	101
Veal	7.1	5.2	4.5	3.8	3.6	3.4	94
Lamb and mutton	4.4	3.7	4.0	3.9	3.7	3.4	92
Pork (excluding lard)	63.0	58.5	58.0	63.9	66.0	64.8	98
Fish (edible weight)	10.5	10.9	10.8	10.8	11.0	11.0	100
Poultry products							
Eggs (farm basis) - Number	356	314	313	323	321	314	98
Chicken (ready-to-cook)	27.5	33.3	36.0	37.1	37.1	39.4	106
Turkey (ready-to-cook)	6.0	7.5	7.8	8.6	7.9	8.2	104
Dairy products							
Cheese	7.9	9.5	9.7	10.1	10.6	11.0	104
Condensed and evaporated milk	14.8	10.6	9.7	9.0	8.9	8.2	92
Fluid milk and cream (milk equivalent)	337	301	296	285	279	272	97
Ice cream (product weight)	18.4	18.5	18.1	17.8	18.3	18.1	99
Fats and oils - Total, fat content	45.3	47.7	49.6	49.2	51.0	51.6	101
Butter (actual weight)	8.2	6.4	5.7	5.5	5.6	5.3	95
Margarine (actual weight)	8.9	9.9	10.5	10.5	10.8	10.8	100
Lard	9.3	6.4	5.5	5.4	5.6	5.1	91
Shortening	11.4	14.0	15.9	15.9	16.2	16.9	104
Other edible fats and oils	10.8	14.1	15.1	15.1	16.0	16.6	104
Fruits							
Fresh	95.5	80.9	81.2	80.7	78.0	81.2	104
Citrus	34.0	29.0	29.0	31.5	26.2	28.5	109
Apples (commercial)	21.0	16.3	15.9	16.1	15.6	17.1	110
Other (excluding melons)	40.5	35.6	36.3	33.1	36.2	35.6	98
Processed:							
Canned fruit	22.4	23.4	22.8	22.5	22.9	24.3	106
Canned juice	13.5	10.8	11.6	11.7	12.2	14.2	116
Frozen (including juices)	8.6	8.5	8.1	10.1	9.3	9.3	100
Dried	3.3	3.0	3.0	2.8	2.7	2.8	104
Vegetables							
Fresh 2/	104.1	98.4	95.8	97.8	98.2	97.4	99
Canned, excluding potatoes and sweetpotatoes	43.3	46.8	47.4	48.8	50.2	50.7	101
Frozen, excluding potatoes	6.6	8.1	8.8	9.0	9.6	9.3	97
Potatoes, fresh equivalent	106.9	107.5	113.3	111.1	115.5	115.9	100
Sweetpotatoes, fresh equivalent	8.3	6.2	6.3	5.8	5.7	5.8	102
Grains							
Cornmeal and flour	7.4	5.7	5.6	5.6	5.5	5.5	100
Corn sirup	9.4	13.6	14.0	14.0	14.5	14.7	101
Corn sugar	3.6	4.5	4.5	4.6	4.6	4.6	100
Wheat flour 3/	120	113	111	112	112	110	98
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.6	7.3	7.5	7.8	8.3	106
Other							
Coffee (green beans)	15.7	14.8	14.5	14.8	14.8	14.7	99
Tea	.58	.68	.69	.69	.72	.73	101
Cocoa beans	3.5	4.0	4.2	4.2	4.3	3.9	91
Peanuts (shelled)	4.6	5.6	5.5	5.7	5.8	5.9	102
Dry edible beans	7.7	6.6	6.3	6.9	6.3	6.6	105
Melons	25.1	23.6	21.9	22.3	22.3	22.3	100
Sugar (refined)	96.1	96.4	97.4	97.1	99.3	99.7	100
	Million	Million	Million	Million	Million	Million	Percent
Civilian population 4/	171.5	191.9	193.8	195.7	197.6	199.7	101

1/ Quantity in pounds except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

were the highest since the early 1950's. Retail prices are expected to ease as production increases, but will continue above year earlier levels until later in the year.

November-January broiler chick placements for slaughter during the first quarter of 1970 were 13 percent above a year earlier. Broiler meat production is expected to continue above 1969 though the margin is not likely to remain as large as in the first quarter. Prices for broilers are expected to ease some, if production increases as scheduled, and prices may average below 1969 levels.

Turkey meat production during 1970 is expected to be up substantially. Cold storage holdings of turkeys on January 1 were one-third below last year's high levels. The reduced carryover will more than offset the expected increase in first half production. Thus, turkey prices likely will average moderately above last year's levels during the first half.

U.S. milk production may again decline a little. Based on monthly estimates, output in 1969 was 116 billion pounds, down 1 percent from 1968. Smaller carry-in stocks in 1970 will reduce dairy product supplies from 1969 levels. Per capita use may continue to decline.

Consumption of milk per person declined about 2 percent in 1969 to an estimated 565 pounds. Most of the decline was in butter, whole milk, cream, and evaporated milk. Use per person of low-fat fluid milk and cheese rose sharply.

Retail prices of dairy products are expected to rise further in 1970, but probably less than the 3 percent in 1969.

Per capita consumption of edible fats and oils in 1970 is expected to total about 52 pounds, not greatly different from 1969. Increases in consumption of margarine, shortening, and cooking and salad oils will about offset declines in butter and lard. The drop in butter use will occur mainly in commercial consumption, as use in the domestic donation programs is expected to about equal that in 1969. Lard consumption, with decreased production, is expected to be down in all major categories--in margarine and shortening as well as in direct use.

In 1969, retail prices of most major food fat products averaged close to year-earlier levels. However, a 4 percent rise in peanut butter prices boosted the aggregate fractionally. Retail prices during 1970 are expected to average slightly above 1969.

Crop Food Supplies

Supplies of wheat, rye, and rice continue large. Producer prices are not expected to change much except for seasonal variations. But retail prices of cereal and bakery products will likely continue the gradual uptrend associated with increased marketing costs.

Per capita consumption of wheat flour in 1970 is likely to be little different from the 110 pounds of 1969. In contrast, per capita consumption of milled rice is likely to continue to rise from the 8.3 pounds in the 1968/69 marketing year.

Fresh vegetable supplies are smaller this winter than last; prices are averaging well above the levels of last winter. Production is lower for a number of hardy vegetables, including cabbage, carrots, and celery. Freezing temperatures in the South have caused moderate to severe damage to tender crops, such as snap beans, green peppers, cucumbers, sweet corn and tomatoes. As usual, domestic production of a number of items will be supplemented by imports, mainly from Mexico where winter supplies are reported to be up moderately.

Canned and frozen vegetable supplies remain relatively large, as big carryover stocks largely offset reduced packs. Prices, though above the reduced prices a year ago, are expected to remain at moderate levels; consumption rates this year likely will approximate 1969's record.

Potato supplies are a little larger this winter than last, due to heavier storage holdings. The winter crop, which provides a small part of winter marketings, is down moderately, and indications are that the spring crops also will be down.

Supplies of fresh and processed fruits during the first half of 1970 are expected to be substantially above a year earlier. Most commodities share in the increase. Retail fruit prices are likely to average slightly below those of a year earlier.

The citrus crop now being harvested was estimated, as of February 1, to be 2 percent larger than last season's very large output. The U.S. orange crop is expected to be 2 percent larger than last year's record, but a 3 percent smaller grapefruit crop is expected. Florida grapefruit and tangerines and Arizona lemons were estimated lower. Inventories of most major processed citrus products at the start of the 1969/70 season exceeded year-earlier levels, but were still at moderate levels. Supplies of processed orange products are likely to be larger than last year; processed grapefruit items will likely be near last year's levels.

Total 1969 noncitrus fruit production was 12 percent above 1968. Most deciduous fruits shared in the increase. Cold storage holdings of major fresh deciduous fruits on January 1, 1970, were sharply above a year earlier. Apple stocks were up 42 percent. Holdings of fresh pears were up 54 percent, and grapes were up 47 percent. Prices for those 3 fresh fruits are likely to continue below those of last season.

The 1969/70 pack of canned noncitrus fruits is expected to be substantially larger than the preceding season's volume. Carryover of most noncitrus canned fruits at the start of the packing season also increased sharply.

Despite lower production, supplies of dried fruit at the beginning of 1970 were up slightly because of larger carryover into this marketing year.

Holdings of frozen fruits and berries were up 5 percent, mainly because of increases for cherries and apples. Holdings of strawberries, however, were down substantially, and the reduction for frozen concentrated deciduous juices brought total stocks of frozen noncitrus fruits and juices close to year-ago levels.

Supplies of dry edible beans are up moderately. Most of the increase is in white beans, retail prices of which are below those of a year earlier. In contrast, reduced total supplies of colored beans have kept prices above a year ago.

Dry pea supplies are the largest in several years and prices have been down. But if exports continue brisk, prices likely will show some gains from recent levels.

FISHERY PRODUCTS SITUATION 1/

Even though per capita consumption has remained constant, total consumption of fresh and frozen food fish products in the United States has increased faster than U.S. landings. The gap has been filled by imports of food fish products.

In 1970, about 1,230 million pounds, edible weight, will likely be consumed by the civilian population. One quarter of this amount will come from groundfish--such as cod, haddock, hake, Boston Bluefish (pollock), and ocean perch--about 60 percent of which will be imported.

Landings of flounders, cod, ocean perch and Boston Bluefish are expected to rise above a year ago, while haddock landings will drop to a record low. The decline in haddock landings may more than offset any gains made in other groundfish.

1/ Prepared by Fred L. Olson, Chief of Current Economic Analysis Division, Bureau of Commercial Fisheries, U.S. Department of the Interior.

Sales of fish sticks and portions, which emerged as a major category of frozen food fish products in the U.S. market in recent years, will increase to about 350 million pounds this year, compared with 332 million last year.

A 5 percent increase in retail prices is likely for fresh and frozen food fish in 1970--less than the 7 percent increase in 1969. A good harvest is expected for red salmon, and canned red salmon should be especially plentiful after the middle of 1970. Storage stocks of fresh and frozen salmon were 7.4 million pounds on January 1, 1970, 40 percent lower than a year ago.

Relatively high prices for shrimp in 1969 reduced fresh and frozen shrimp sales. Increases in retail prices of frozen shrimp this year probably will not be as much as 1969's almost 10 percent hike. Sales of frozen shrimp are expected to increase to 330-340 million pounds from about 320 million (heads-off weight) in 1969. Demand for other types of shellfish is expected to continue relatively strong but supplies of some shellfish such as sea scallops can be expected to be limited compared to those available in recent years.

SUGAR AND HONEY SITUATION

U.S. consumers can anticipate ample sugar supplies this year at prices slightly higher than a year ago.

A moderate increase in per capita sugar consumption occurred in 1968 and 1969. Previously, only the 100.6 pound level in 1950 exceeded the 99.5 pound level of 1968 and 1969 (table 9).

It is still early to tell if the increase in consumption beginning in 1968 is a temporary or a permanent shift from the 96-97 pound level typical of the 1947-67 period. The recent gain in consumption apparently resulted from several factors. Industrial uses, particularly in beverages (largely soft drinks), increased rapidly in 1968 and 1969, while the long-term decline in consumer package use slowed. Increased use of sugar in commercially prepared foods and beverages is related to rising consumer incomes and the increasing proportion of younger, high sugar-using persons in the population.

Sugar prices generally have increased slightly at all levels (table 10, fig. 5). The New York raw price increased from 7.52 cents per pound in 1968 to 7.75 cents in 1969. There were also slight increases in most wholesale refined sugar prices. The U.S. average retail price (5-pound package) increased from 12.18 cents per pound in 1968 to 12.40 cents per pound in 1969.

Prices of sugar-containing products probably will increase this year about in line with the Consumer Price Index for food consumed at home. This index is expected to rise somewhat less than the 4.8 percent increase in 1969. The anticipated price increases in sugar-containing products are not expected to slow the general increase in sugar consumption.

A record 283 million pounds of honey was produced in 1969, a 40 percent increase from the previous year's poor output. A record average yield of 60 pounds per colony was up 18 pounds from a year ago. Moreover, demand held up well. The average price of 17.4 cents per pound received by farmers was up 3 percent from 1968 despite the record output. Total consumption increased 15 percent. Per capita consumption of 1.3 pounds was up from 1.1 pounds in 1968. Production this year may not match last year's level.

Table 9.--U.S. sweeteners: Selected supply and distribution data, 1967-69

Item	Unit	1967	1968	1969				
				I	II	III	IV 1/	Total
Sugar:								
Sources of supply (raw value 2/):								
Beet sugar distribution	1,000 ton	2,824	3,085	579	822	987	828	3,216
Cane sugar:								
U.S. Mainland shipments	1,000 ton	1,169	1,204	360	179	112	518	1,169
Inshipments from Hawaii	1,000 ton	1,253	1,192	100	314	433	313	1,160
Inshipments from Puerto Rico	1,000 ton	705	504	76	130	69	66	341
Total U.S. grown	1,000 ton	5,951	5,985	1,115	1,445	1,601	1,725	5,886
Imports:								
Western Hemisphere	1,000 ton	2,811	3,327	446	1,148	860	766	3,220
Philippines	1,000 ton	1,123	1,124	186	358	269	312	1,125
Other countries	1,000 ton	499	515	35	93	166	212	506
Total	1,000 ton	10,384	10,951	1,782	3,044	2,876	3,015	10,737
Refined sugar deliveries: 3/								
By type of food use:								
Beverages	1,000 ton	1,785	2,024	396	574	632	459	2,061
Cereal and bakery products	1,000 ton	1,286	1,396	301	351	338	355	1,345
Confectionery products	1,000 ton	1,004	1,085	229	261	264	296	1,050
Processed foods 4/	1,000 ton	843	924	156	204	380	176	916
Dairy products	1,000 ton	486	515	106	150	150	108	520
Other food uses 5/	1,000 ton	424	471	90	113	115	137	455
All industrial	1,000 ton	5,828	6,415	1,278	1,653	1,885	1,531	6,347
Wholesalers	1,000 ton	2,177	2,207	457	502	586	534	2,079
Retailers	1,000 ton	1,188	1,224	237	286	353	300	1,176
Other	1,000 ton	229	187	51	50	50	45	196
All nonindustrial	1,000 ton	3,594	3,618	745	838	989	879	3,451
Total 3/	1,000 ton	9,422	10,033	2,023	2,491	2,874	2,410	9,798
By type of package:								
Consumer packages (less than 50 pounds)	1,000 ton	2,554	2,562	513	586	740	604	2,443
Liquid sugar 6/	1,000 ton	2,189	2,485	480	674	870	544	2,568
Bulk granulated	1,000 ton	2,346	2,607	527	706	711	660	2,604
Large package (50 pounds and over)	1,000 ton	2,399	2,452	521	542	569	622	2,254
Total 3/	1,000 ton	9,488	10,106	2,041	2,508	2,890	2,430	9,869
By region of country:								
Northeast 7/	1,000 ton	2,893	2,978	674	737	793	723	2,927
South 8/	1,000 ton	2,117	2,238	503	578	655	569	2,305
North Central	1,000 ton	3,130	3,433	649	830	929	790	3,198
West 9/	1,000 ton	1,532	1,639	256	402	562	400	1,620
Total 3/	1,000 ton	9,672	10,288	2,082	2,547	2,939	2,482	10,050
Dextrose shipments--dry basis	1,000 ton	380	390	86	96	108	94	384
Noncaloric sweeteners:								
U.S. production	1,000 lb.	17,501	19,661	---	---	---	---	(17,500)
Saccharin imports	1,000 lb.	684	841	151	259	237	257	904
Per capita consumption:								
Refined sugar	Lb.	97.1	99.3	21.2	25.1	28.5	24.9	99.7
Corn sirup	Lb.	14.0	14.5	3.3	3.5	4.3	3.4	14.5
Dextrose	Lb.	4.6	4.6	1.1	1.2	1.2	1.1	4.6
Saccharin--sugar sweetness equivalent 10/	Lb.	4.8	5.0	---	---	---	---	5.1
Cyclamate--sugar sweetness equivalent 11/	Lb.	2.1	2.2	---	---	---	---	2.1

1/ Estimated. 2/ 107 tons of sugar, raw value is equivalent to 100 tons of refined sugar. 3/ Total deliveries by type of use and by type of package differ from total deliveries by region of country because of differences in scope of coverage. Deliveries by region generally account for over 99% of total deliveries. 4/ Primarily used in canned and frozen foods and jams, jellies and preserves. 5/ Includes use in blended sirups and meat curing. 6/ Sugar solids basis. 7/ Includes Delaware, Maryland, Virginia, West Virginia and District of Columbia. 8/ Excludes States listed in footnote 7. 9/ Includes Hawaii and Alaska. 10/ Assumes saccharin is 300 times as sweet as sugar. 11/ Assumes cyclamate is 30 times as sweet as sugar.

Source: Sugar and dextrose data from Sugar Reports published monthly by ASCS, U.S. Department of Agriculture. Noncaloric sweetener production data from U.S. Tariff Commission (1969 estimated by ERS). Saccharin import data from Bureau of Census. Saccharin and cyclamate consumption estimated on basis of trade information.

Table 10.--U.S. sweeteners and beverages: Selected prices, 1967-69 1/

Item	Unit or base period	Cents per unit (or index number)						
		1967	1968	1969				
				I	II	III	IV	Year
Sweeteners								
Sugar:								
Raw--New York, duty paid	Lb.	7.28	7.52	7.71	7.79	7.69	7.80	7.75
Wholesale, refined sugar:								
Northeast cane 2/	Lb.	10.62	10.84	11.05	11.43	11.60	11.70	11.44
Pacific coast--cane or beet 2/	Lb.	10.11	10.35	10.13	10.10	10.25	10.07	10.14
Chicago--West, cane or beet 2/	Lb.	9.82	9.94	9.85	10.36	10.35	10.35	10.23
Bulk dry beet sugar (f.o.b. plant) 3/	Lb.	9.10	9.41	9.27	9.43	9.46	9.47	9.41
Retail (5-lb. package)	Lb.	12.10	12.18	12.23	12.37	12.51	12.48	12.40
Corn sirup, dry basis--wholesale, Chicago	Lb.	5.13	4.95	4.97	4.97	5.22	5.21	5.09
Dextrose, dry basis--wholesale Chicago	Lb.	8.45	8.55	8.47	8.81	8.80	8.80	8.72
Saccharin--wholesale (except calcium salt)	Lb.	130.0	130.0	130.0	130.0	130.0	130.0	130.0
Cyclamate--wholesale	Lb.	55.0	55.0	55.0	55.0	55.0	55.0	55.0
Cocoa and Chocolate								
Wholesale:								
Cocoa beans--New York "Accra"	Lb.	29.0	34.4	44.3	45.1	46.3	46.8	45.7
Cocoa butter	Lb.	53.1	63.0	85.5	89.3	87.9	88.1	87.8
Unsweetened chocolate	Lb.	28.2	31.9	42.0	43.6	45.0	39.7	42.6
Unsweetened cocoa powder	Lb.	9.9	11.2	12.4	14.3	14.2	17.2	14.6
Milk chocolate coatings	1957-59=100	104.5	114.3	136.0	132.4	134.8	136.2	134.8
Solid chocolate candy bars	1957-59=100	104.9	111.2	115.0	127.3	133.0	133.5	127.2
Retail:								
Chocolate bars (1-oz. bar)	Oz.	5.00	5.34	5.83	5.90	5.93	6.00	5.92
Beverages								
Coffee:								
Green--New York:								
Colombian--Manizales	Lb.	42.5	43.2	41.4	40.9	41.9	54.5	44.7
Mexican--Washed	Lb.	39.9	39.9	38.8	37.9	37.8	47.3	42.6
Brazilian--Santos No. 4	Lb.	38.4	37.6	37.8	37.8	39.2	48.4	40.8
Robusta--Ambriz No. BB	Lb.	---	34.7	32.3	30.1	33.1	38.4	33.5
Retail:								
Roasted--can	Lb.	76.9	76.4	76.1	75.9	75.7	78.2	76.5
Roasted--bag	Lb.	64.7	62.6	63.4	62.8	62.8	66.4	63.8
Instant	6 oz.	87.9	89.4	90.7	93.2	93.9	95.9	93.4
Tea:								
Wholesale, black tea--New York	Lb.	46.5	46.0	43.8	42.5	41.6	42.2	42.6
Retail--48 tea bags	Pkg.	60.8	60.6	60.8	60.7	61.1	61.2	61.0
Soft drinks:								
Wholesale:								
Cola drinks	1957-59=100	136.6	147.1	154.7	156.2	158.3	161.3	157.6
Retail:								
Cola drinks (6 12-oz. bottles)	Carton	60.8	65.1	67.8	68.4	69.2	70.3	68.9
Carbonated fruit drink (6 12-oz. bottles)	Carton	57.0	60.6	61.8	62.5	63.6	64.5	62.9

1/ Wholesale sugar prices (except bulk dry beet sugar) from Sugar Reports, published monthly by ASCS, U.S. Department of Agriculture. Saccharin, cyclamate, and cocoa bean prices from Journal of Commerce. Cocoa butter, unsweetened chocolate and unsweetened cocoa powder prices are derived unit values of imported products, f.o.b. country of origin. All other prices and price indexes from Bureau of Labor Statistics. 2/ Basis price, 100-lb. paper bags, carload lots. 3/ Carload lots.

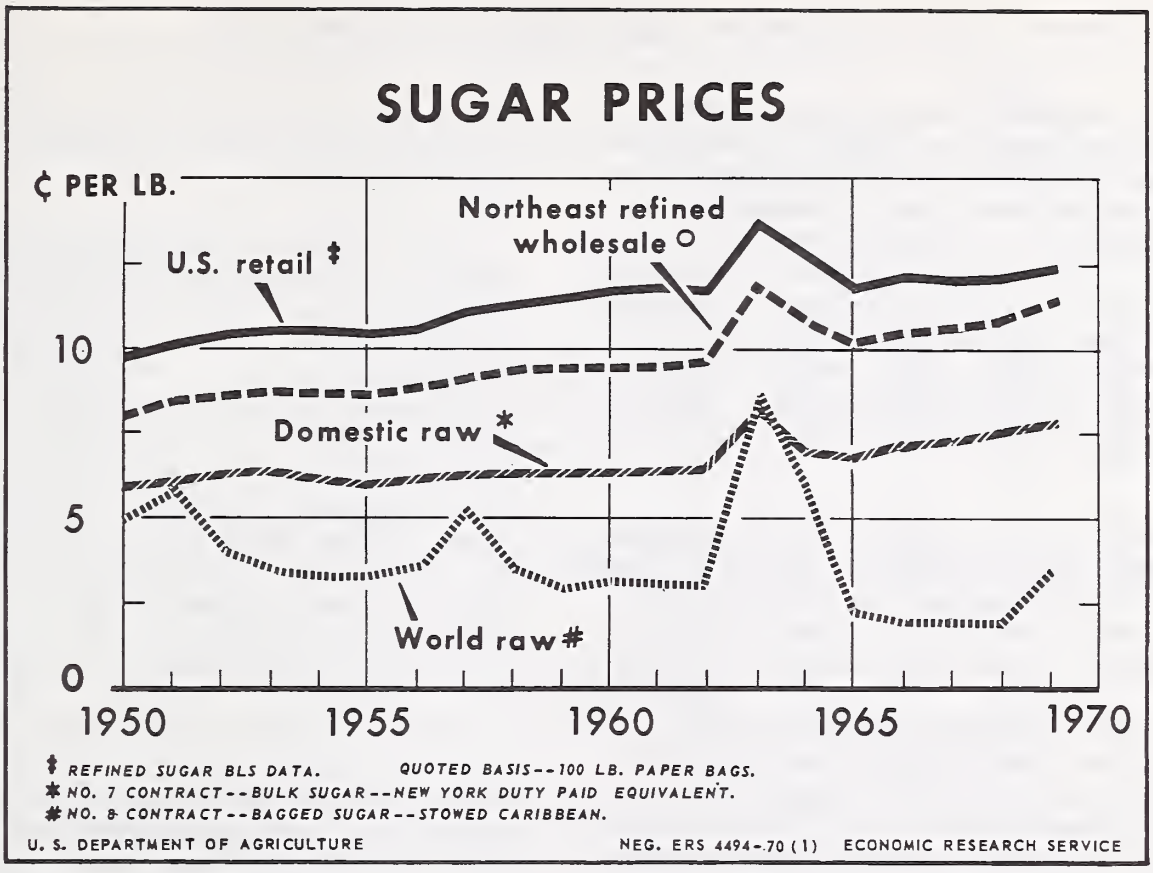

Figure 5

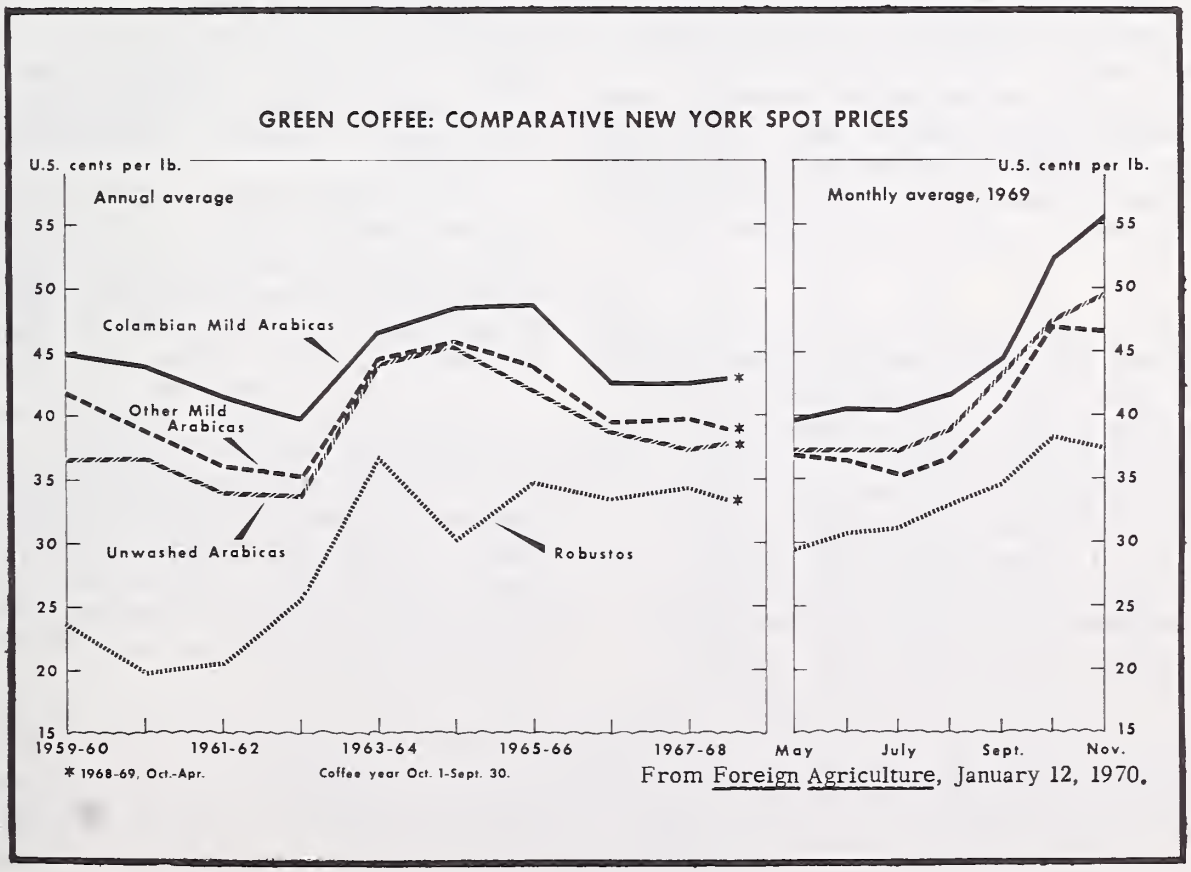

Figure 6

COFFEE AND TEA SITUATION

U.S. consumers face higher coffee prices in the next few months. Green coffee prices increased substantially in the fourth quarter last year. Colombian prices (Manizales) averaged nearly 55 cents per pound in the fourth quarter, up nearly 13 cents from the third quarter. Similarly, Brazilian coffee (Santos No. 4) averaged over 48 cents per pound, over 9 cents above the previous quarter. Price rises in other coffees were similar (table 10).

Green coffee prices declined somewhat during the first 9 months of 1969, reflecting a plentiful supply situation as U.S. roasters had stocked up in late 1968 in anticipation of the dock workers' strike.

But the situation changed quickly. A killing frost last July in the State of Parana in Brazil severely damaged trees over an extensive area. Last year's crop (1969/70) had been largely harvested when the frost struck, but with extensive damage to coffee trees both Brazilian production and world production for the 1970/71 crop will likely be smaller than in recent years. The severity of the frost in Brazil can be better assessed when coffee harvesting begins in May. Even so, no world shortage of coffee is anticipated, at least until later this year, because of ample carryover stocks in producing countries.

While green bean prices jumped in the last quarter of 1969, retail prices lagged somewhat (fig. 6). Roasted prices were up less than 3 cents per pound--can or bag--while instant prices per 6-ounce jar were up slightly over 2 cents. Because the price rise occurred in the fourth quarter, both green coffee and retail coffee prices for 1969 averaged approximately the same as in 1968. Green bean prices likely will remain near current levels for the first half of 1970, while a further modest rise in retail prices is expected.

Per capita consumption of coffee declined from 15.9 pounds (green bean basis) in 1962 to 14.5 pounds in 1966 and then leveled off at 14.8 pounds during 1967 and 1968 (table 11). Preliminary data indicate per capita consumption of 14.7 pounds in 1969. Coffee consumption this year is expected to decline due to higher prices because of shorter supplies. When retail prices are high, there is a tendency to stretch the supply by brewing weaker coffee. This too may encourage further substitution of other beverages such as milk, soft drinks, cocoa, and tea.

World coffee consumption is expected to exceed output in crop year 1970/71, and it will not be possible to increase production immediately by planting new trees. Such plantings would not come into bearing before crop year 1974/75. Thus, any increase in world production within the next 5 years must necessarily come mostly from trees already planted. Thus, for the next few years, we can look for a fairly tight supply/demand situation and possibly somewhat higher coffee prices.

The developments of the last half of the year mark a drastic reversal of the world coffee situation and outlook. For several years these had been characterized by surplus production, low prices, and efforts to divert coffee land to other uses.

Per capita tea consumption averaged 0.73 pound in 1969, up slightly from 1968. Retail prices were virtually unchanged last year, though wholesale prices declined about 3 cents per pound. Tea consumers can look to relatively stable prices this year. With higher prices for coffee, there may be some substitution of tea for coffee.

Table 11.--U.S. beverages and cocoa: Selected supply and distribution data, 1967-69 1/

Item	Unit	1967	1968	1969				
				I	II	III	IV 2/	Total
Beverages and materials								
Coffee:								
Green bean imports:								
Colombian milds	Mil. lb.	437	458	58	112	96	111	377
Other milds	Mil. lb.	677	745	128	153	193	241	715
Unwashed Arabica	Mil. lb.	951	1,234	170	268	195	261	894
Total Arabica	Mil. lb.	2,065	2,437	356	533	484	613	1,986
Robusta	Mil. lb.	754	920	105	209	173	204	691
Total imports	Mil. lb.	2,819	3,357	461	742	657	817	2,677
Roastings (bean basis):								
Regular	Mil. lb.	2,393	2,358	585	552	538	624	2,299
Instant soluble	Mil. lb.	423	442	125	120	94	117	456
Total	Mil. lb.	2,816	2,800	710	672	632	741	2,755
Per capita consumption (bean basis):								
Regular	Lb.	12.3	12.3	---	---	---	---	12.1
Instant	Lb.	2.5	2.5	---	---	---	---	2.6
Total	Lb.	14.8	14.8	3.8	3.6	3.5	3.8	14.7
Tea (leaf basis):								
Imports	Mil. lb.	143	155	21	48	34	37	140
Per capita consumption	Lb.	0.69	0.72	---	---	---	---	0.73
Soft drinks:								
Shipments:								
Sugar sweetened	Mil. pints	25,198	27,992	---	---	---	---	29,797
Low calorie	Mil. pints	4,447	5,332	---	---	---	---	6,103
Total	Mil. pints	29,645	33,324	7,360	9,621	10,770	8,149	35,900
Per capita consumption:								
Sugar sweetened	Pints	127	139	---	---	---	---	147
Low calorie	Pints	22	27	---	---	---	---	30
Total	Pints	149	166	36	47	54	40	177
Cocoa and chocolate								
Imports:								
Cocoa beans	Mil. lb.	633	511	118	113	120	138	489
Unsweetened cocoa powder	Mil. lb.	105	121	24	31	38	30	123
Cocoa butter	Mil. lb.	23	20	2	3	4	5	14
Unsweetened chocolate	Mil. lb.	9	10	3	3	1	1	8
Total semi-processed (bean basis)	Mil. lb.	169	191	34	43	52	50	179
Consumer products (bean basis)	Mil. lb.	18	23	7	8	3	7	25
Cocoa bean grind (bean basis)	Mil. lb.	648	641	153	146	141	152	592
Total confectionery shipments	Mil. lb.	3,769	3,794	978	826	1,014	1,071	3,889
Per capita consumption:								
Cocoa and chocolate (bean basis)	Lb.	4.2	4.3	1.0	1.0	.9	1.0	3.9
Total confectionery products	Lb.	19.6	19.8	5.1	4.3	5.2	5.6	20.2

1/ All imports plus coffee roastings from Bureau of Census. Total soft drink shipments and per capita soft drink consumption from National Soft Drink Association; sugar-sweetened and low-calorie components estimated on basis of trade information. Cocoa bean grind, confectionery manufacturer's shipments and per capita consumption of confectionery products from Business and Defense Services Administration, U.S. Department of Commerce. Per capita consumption of coffee, tea, and cocoa and chocolate (bean basis) from Economic Research Service, U.S. Department of Agriculture.

2/ Estimated.

COCOA SITUATION

Supplies of cocoa and chocolate will increase slightly in 1970 and retail prices are expected to rise more slowly. Based on preliminary data, per capita cocoa consumption (bean equivalent) averaged 3.9 pounds last year, down from 4.3 pounds in 1968. The decline in U.S. consumption last year resulted from shorter world cocoa bean supplies and higher prices than in 1968. Per capita consumption this year is expected to average near last year's level (tables 10 and 11).

The prospective 1969/70 world cocoa crop will be well above the level of last year's poor crop. And the level of world production is expected to be slightly in excess of world consumption in 1970. This situation follows 4 consecutive years of deficit production with world cocoa stocks drawn down to relatively low levels.

U.S. imports of cocoa beans and semi-processed cocoa and chocolate products (unsweetened chocolate, cocoa butter, and unsweetened cocoa powder) are expected to increase slightly this year. However, the U.S. cocoa bean grind appears likely to decline further, though moderately. Manufacturers will be reluctant to build inventories in view of the current high cocoa bean prices and high interest rates.

Cocoa bean prices (New York Spot "Accra") averaged 45.7 cents per pound in 1969, about 11 cents higher than in 1968. They reached a peak of 50 cents per pound in the first half of November, but declined to 39 cents per pound in the second half of January. Cocoa bean prices in 1970 are expected to average lower than last year in view of the anticipated slight stock build up. Retail prices of cocoa and chocolate products will probably level off this year in contrast to the substantial advances experienced in 1969.

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The next issue of the National Food Situation is scheduled to be available May 14, 1970.

The summary is scheduled to be released to the press immediately after the Outlook and Situation Board meeting May 7, 1970.

FOOD; A SPECIAL ISSUE IN WELFARE PROGRAMS 1/

An adequate welfare program, including nutrition education, would make the need for family food programs unnecessary. Thus, family food programs ultimately may be superseded.

However, an adequate welfare program in the form of either cash supplements or negative income tax may be several years away. Such programs would be costly and carry no special incentives to improve nutrition. Thus, at least until we develop a socially acceptable and administratively feasible welfare program that can be fully funded, we should continue to improve and expand our existing food programs--in such a way that they will not interfere with our ultimate objectives.

Most observers rank food and nutrition high on the list of welfare needs. President Nixon in a speech to Congress on May 6 and again at the December 1969 White House Conference on Food, Nutrition, and Health, made clear his high priority on putting an end to hunger in America. The White House Conference confirmed widespread support for a national policy to eliminate hunger and malnutrition associated with poverty. The Secretary of Agriculture fully supports this position as indicated, for example, in his testimony on September 15, 1969, before the Senate Select Committee on Nutrition and Human Needs.

USDA has been grappling with the food problem for many years. It has been distributing food free since the mid-1930's and on a large-volume basis for more than 2 decades. The present Food Stamp Program began in 1961--long before poverty became a major issue. Much learned from this early experience in program operation makes program expansion now feasible.

1/ By Stephen J. Hiemstra, Assistant to the Administrator, Food and Nutrition Service.

Income Supplements Inefficient

As one method of caring for the poor, income supplements are appealing on many counts. They allow participants free choice to purchase shoes, housing, food or any other item, depending upon individual needs and desires. But for this very reason, income supplements are an expensive and economically inefficient way to improve nutrition, or to solve any other single problem associated with poverty. It is a shotgun approach. Freedom of choice, by definition, permits unwise as well as wise decisions to be made.

In a recent study it was estimated that to raise food consumption of families with incomes below $3,000 to consumption levels of all families with incomes above $3,000, it would take an income supplement approaching $20 billion. 2/ This figure, of course, is only a rough approximation, and it ignores some possible secondary effects. It was based upon statistical analysis of group data derived from the 1965 household food consumption survey. Now that individual household data are available, a more refined analysis can be undertaken which would allow for other socioeconomic variables.

Preliminary analysis of the 1965 survey data shows that relatively large increases in income result in only small increases in expenditures for food and even smaller increases in the quantity of food purchased. Part of the increase in spending goes for higher quality or perhaps only more expensive foods.

2/ Egbert, Alvin C. and Hiemstra, Stephen J., "Shifting Direct Government Payments from Agriculture to Poor People: Impacts on Food Consumption and Farm Income," Agricultural Economics Research, Vol. 21, No. 3, pp. 61-69, July 1969; reprinted as ERS-426.

The data suggest that for every 10 percent increase in income, food spending would be expected to rise by only 1 or 2 percent. 3/ These figures, however, do not imply that poor people spend only a small part of their incomes for food. On the contrary, various studies indicate that low-income families often spend 40 or 50 percent of their incomes for food, depending partly upon how income is measured.

These data suggest at least two things. First, people place a high priority on obtaining the amount of food they feel they need. Second, after meeting certain minimum food needs, they will spend most of any additional income on other things. These, of course, are well-known principles that go back to the 19th century German economist, Ernst Engel. The operation of Engel's "law" implies a decline in the percentage of income spent for food as income rises.

There is only a loose association between income levels and nutritional quality of diets. Data from the 1965 survey show that 36 percent of the households with incomes below $3,000 failed to obtain diets that met two-thirds of recommended dietary allowances for all 7 important nutrients studied. This figure is surprisingly high. 4/ However, even perhaps more disturbing is the fact that 18 percent of the households with incomes between $5,000 and $7,000 also failed to meet the two-thirds nutrient standard, and even among those with over $10,000 incomes, 9 percent failed this nutrient test.

On the other hand, among the low-income group, 37 percent of the households had diets that measured up to the full dietary allowances recommended.

Between 1955 and 1965, disposable personal income increased from an average of $1,666 to $2,432 per capita, or 46 percent. The number of families with incomes (total money) falling below $3,000 dropped from 24 percent in 1955 to 17 percent in 1965. Part, but not all, of these changes were washed away by price increases. Disposable income per capita rose by one-fourth after allowing for price increases. The data also suggest that a slightly more even distribution of income occurred over this 10-year period. The proportion of the population below the poverty level dropped from 22 percent in 1959 (earliest data available) to 17 percent in 1965. 5/

3/ The data are based on observations of different households at successively higher income levels. Thus, the conclusion implies that people as a group will shift their food spending in line with that of their more affluent neighbors as their incomes are increased.

Part of the reason for the low level of income elasticity derived from the group data likely is due to the inclusion of some people with only temporarily low incomes.

4/ However, examination of the criteria used by the National Research Council in setting recommended dietary allowances somewhat tempers this finding. The allowances were designed to aid in planning food supplies and interpreting consumption records for large groups of people and are not directly applicable to given individuals who may differ in requirements. Except for calories, the recommendations incorporate varying degrees of safety to ensure that the requirements of virtually all persons in the population will be covered. Thus, it cannot be assumed that all persons failing to meet the full recommendations will be malnourished. The "full sufficiency" built into the recommended allowances is offset, at least in principle, by the type of data gathered by the 1965 survey and by use of the two-thirds level in the standard. The data do not allow for waste and loss from the time food enters the kitchen until it is eaten.

5/ U.S. Bureau of the Census, Selected Characteristics of Persons and Families, March 1969, Current Population Reports, Series P-20, No. 189, August 18, 1969, p. 6.

Because of these increases in income, the finding that 1965 diets on the average were somewhat inferior to those of 10 years earlier--based on data from the 1955 and 1965 household food consumption surveys--was unexpected. U.S. average per capita food consumption data (Food Consumption Index) do not show a commensurate decline in average food consumption during 1955-65, but neither do they indicate an increase. Apparently, the drop in consumption of some foods was not counterbalanced nutritionally by increases in others. However, the shifts in consumption were about counterbalanced in economic terms.

Thus, an increase in real income in 1955-65 produced no demonstrable improvement in nutrition levels. Accordingly, income payments alone would not solve the nutrition problem, although they likely would largely eliminate the poverty-related problem of acute hunger. Food programs of some type, complete with an education effort, apparently would be more efficient in closing the food and nutrition gap.

Even if income payments are initiated, it may be advantageous to keep the Food Stamp Program intact for a few years. The income levels currently proposed under the Food Assistance Program would not encourage families to spend for food at levels that typically would lead to nutritionally adequate diets. Data from the 1965 survey showed that 24 percent of all households with incomes between $3,000 and $5,000 failed to have diets that met the two-thirds level of 7 nutrients as recommended by the National Research Council. By keeping the Food Stamp Program, families would be encouraged to spend for food at levels equivalent to higher income groups, and thus, more likely obtain nutritious diets.

Plentiful Food Supply

There is plenty of food available or potentially available in this country to solve the food problem. If all households with income below $3,000 ate like the rest of the population, their food expenditures would increase by an estimated 15 percent. 6/ Consumption of some foods would increase and others decrease. There would be lower consumption of cereal and grain products and less use of dry beans and eggs. But consumption would rise markedly for meat and other highly desired foods. This increase of 15 percent in food spending by the low-income group would increase the total quantity of food commodities demanded by only 2 to 3 percent.

This 2 or 3 percent increase is considerably less than the 10 to 12 percent increase in supplies that farmers could provide under reasonable price incentives and free market operation. 7/ Of course, it might take a few years for farmers to gear up to this level of output. The exact size of the current excess capacity in agriculture is not known, but most experts agree that farmers could readily provide the amount of food necessary to solve the poverty-related food problem. 8/ The major obstacles are those of distribution of food to the people who need it and equitable payment to producers to stimulate the necessary output.

Size of Current Programs

Current food programs are a step in the right direction toward solving the food problem. In fiscal 1969, an average of 2.9 million people received food stamps valued at $603 million, for which they paid $374 million and the Government provided $229 million. This level represented an increase from the previous year when 2.2 million people received $452 million in stamps, for which they paid $279 million and the Government provided $173 million.

6/ See footnote 2.
7/ See footnote 2.
8/ Solving the food problem would not simultaneously solve the farm income problem because of the gap between the 2 to 3 percent increase in potential quantity demanded and the 10 to 12 percent increase in potential supplies.

In addition, 3.6 million people (including 0.5 million in Puerto Rico) received 1.1 billion pounds of food under the Commodity Distribution Program. This program has accelerated during the past 2 years at the same time the Food Stamp Program has grown--even though many areas have shifted from commodity distribution to stamps.

Aside from these two major needy family programs, there are supplemental foods given to needy pregnant women and preschool children, foods donated for over 1.2 million persons living in institutions, and both foods and money given to schools for lunches and breakfasts. Money also is provided under the Emergency Food and Medical Services Program of the Office of Economic Opportunity to encourage and assist participation under each of the various food programs.

The National School Lunch Program has been in existence since 1946. In fiscal 1969, 20 million children were served nearly 3.4 billion meals. About 15 percent of these meals were provided free or at reduced prices to children of needy families. In addition, a school breakfast program was instituted in over 3,000 schools. Nearly three-fourths of the breakfasts were provided free. Federal payments under school feeding programs totaled over $300 million last year, including the Special Milk Program. In addition, over 1 billion pounds of food worth about $275 million was distributed directly to schools.

For perspective, note that food spending by all consumers in this country in 1969 totaled around $103.8 billion. Thus, the $603 million in food stamps was only 0.6 percent of total food spending. Since over three-fifths of the value of food stamps represented contributions by recipients, the net addition to food spending represented by food stamps could not have exceeded 0.2 percent of total U.S. food spending. The food donated directly to needy families, schools, and institutions amounted to around 1 percent of the total food consumed. The total value of food and monetary assistance given by the Federal Government to schools averages out to about 15 cents per lunch. Assistance under all of the food programs adds up to perhaps 1½ to 2 percent of the total food market.

Some assessment of the target group for the various programs can be made using Census estimates of the number of people living in poverty as the starting point. In 1968, an estimated 25 million people--one-eighth of the population--had incomes below the poverty level. All of them did not qualify for coverage because eligibility standards generally follow those established at the local level for public assistance programs. Others may choose not to participate because of adequate food supplies. As indicated above, 37 percent of the households surveyed in 1965 with incomes below $3,000 had diets that fully met NRC allowances for all 7 essential nutrients measured.

The 36 percent that failed to measure up to the two-thirds nutrient criteria used in the 1965 survey likely approximates the hard core target group. On this basis, and assuming the 36 percent figure continued to hold until 1968, the group that needed food numbered roughly 9 million people. Of course, there is no real assurance that the 7 million people reached by the food programs in fiscal 1969 were from the 9 million that needed it, since eligibility standards are written in terms of income, rather than nutrient availability, and there is only a loose association between income and nutrition.

Program Expansion

The food programs are undergoing a dramatic expansion, particularly food stamps. Child nutrition programs also are being funded more liberally in attempting to reach children who need free or reduced priced lunches or breakfasts. In addition, a new pilot certificate food program began in one area of Chicago on February 2. This program provides supplemental cash vouchers to pregnant women, infants, and their mothers for use in purchasing milk, baby formula, and baby cereal.

Congress in late 1969 appropriated $610 million for the Food Stamp Program for use in fiscal 1970. This level represents more than twice the $251 million spent the previous year. Since the appropriation bill was not completed until November, spending during the first 5 months of the fiscal year was necessarily restrained to the level of spending during fiscal 1969. Thus, the current appropriation allows for an increase in the program during the first half of 1970 of around 3 times the spending during first half 1969.

There are limited ways in which the recent increases in appropriations can be used in view of existing legislation. Expansion into new areas is proceeding as rapidly as possible. On January 7, the Secretary designated 211 project areas to begin the Food Stamp Program. These areas will bring the program total to 1,865 areas in 46 States and the District of Columbia.

On December 1, Secretary Hardin announced that since appropriations had been increased, coupon allotments would be increased to a flat rate of $106 for a family of 4, and contributions reduced. In fiscal 1969, food stamp issuance averaged $210 per person, per year. This amounted to about $70 per month for a family of 4. Thus, the average increase in stamps will amount to more than 50 percent. Because only two-fifths of the stamp allotment currently represents a bonus to the recipient, the increase in value of stamps alone will double the cost to the Government. The drop in level of contributions required for participation and resultant increase in rate of program participation will add further to Federal costs.

The Administration has proposed a number of changes in legislation to allow expansion of the program and improvements in its operation and administration. The Senate has passed a bill that amends the Food Stamp Act of 1964. It incorporates some of the Administration's suggestions and makes several other changes. Food stamp legislation in the House of Representatives currently is pending in the Agricultural Committee.

The Senate bill would authorize spending of $1.25 billion during fiscal 1970, $2.0 billion during fiscal 1971, and $2.5 billion during fiscal 1972. This bill would authorize the Secretary of Agriculture to set a uniform income eligibility standard for the entire country, at no less than $4,000 for a household of 4 or more persons (with regional variations possible).

The current law requires contribution of an amount of money equivalent to the household's normal expenditures for food in order to receive food stamps. The Senate bill would require recipients to pay no more than 25 percent of income to qualify. The administration proposal would require no more than 30 percent of income. Currently, persons with monthly incomes below $20 or $30 must pay 50 cents per month--with a maximum of $3 per family--to qualify. Both the Senate bill and administration proposal would eliminate this requirement. The main difference is with the income cut-off to receive free stamps.

The Senate bill provides that the total value of coupons be sufficient to purchase a low-cost nutritionally adequate diet. Such a diet is defined as one equivalent to the value of the "low-cost" food plan as published by USDA's Agricultural Research Service. This currently would amount to about $130 per month for a family of 4. ARS's "economy" food plan currently is equal to about $106 per month for a family of 4. Current legislation provides only that coupons be sufficient to provide households with the opportunity more nearly to obtain a low-cost nutritionally adequate diet. Until recently, the value of stamps varied with income as well as size of family.

The Senate bill would broaden coverage of food stamps to allow purchase of items necessary for personal cleanliness, hygiene, and home sanitation. Currently, only foods and nonalcoholic beverages can be purchased; certain imported foods are excluded.

The Senate bill would allow individual participants to vary the degree of

their participation up to the full amount of coupons authorized, and contributions would vary proportionately. The objective is to stimulate participation in the program by not denying entry to those willing to participate, but unable to raise the full amount of the contribution required. The Administration also favors a reasonable variable purchase plan. The current program requires full participation in any given month. The objective of the current law was to facilitate program administration and encourage purchase of food over and above normal expenditures.

Coupons currently must be distributed at least monthly or twice monthly if income is received that often, but more frequent distribution is permissible. Distribution methods, number of distribution points, and precise frequency of distribution are left to the States because these costs are borne locally.

The Senate bill would authorize the Secretary of Agriculture to operate a stamp program directly in any county or local area not covered by a food program after January 1, 1971. At present, a local area must request a food program. However, the President announced through Dr. Jean Mayer on December 4, 1969, that all counties and independent cities not now covered by a food program (now numbering 264 counties and 8 independent cities) would have a program within 6 months. Areas not covered are largely concentrated in Texas, Kansas, Missouri, Virginia, and Florida. The Senate bill would extend coverage of the Food Stamp Program to Puerto Rico and the U.S. Territories which now are covered by the Commodity Distribution Program.

Conclusions

Expansion of the food programs is needed, at least until such time as broader welfare programs are initiated.

The Food Stamp Program is expanding. In addition, many changes in child nutrition programs are underway and others await further study and legislative approval. Particular attention is being given to feeding children of poor families, but all child feeding programs are being carefully re-examined.

Somewhere along the line much more attention must be given to integration of food programs into a coherent system. As each program grows, duplication of effort becomes more severe. Many programs are moving into uncharted waters, so the need is great to analyze in detail all program extensions and all serious program proposals.

Table 12.--Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Beef and Veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All Food 6/	Industrial commodities 7/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1961	99.0	93.7	96.0	97.0	93.9	95.1	85.8	107.9	107.5	101.7	102.7	105.1	101.2	98.6	101.6	100.0	100.8	100.3
1962	95.2	97.7	97.7	103.2	94.1	97.8	90.2	119.2	106.9	98.0	97.3	107.6	102.2	99.0	102.7	100.6	100.8	100.6
1963	94.0	96.1	95.7	95.7	88.3	91.5	88.6	112.0	107.5	103.9	88.2	107.3	118.4	100.9	103.3	100.4	100.7	100.3
1964	90.8	103.2	94.3	90.5	88.3	89.0	87.4	107.4	107.8	104.8	89.7	107.8	111.8	106.2	103.1	100.8	101.2	100.5
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	105.8	105.1	105.4	86.0	125.3	121.9	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968	93.9	108.2	102.2	110.2	103.5	107.7	91.0	135.2	127.7	114.1	100.2	118.2	115.8	109.6	114.1	112.2	109.0	108.7
1969 8/	112.9	111.0	108.5	119.5	116.1	119.4	97.7	148.6	131.9	115.7	103.5	120.2	123.6	112.8	119.8	119.0	112.6	113.0
January	122.3	112.0	104.9	112.5	106.6	110.1	92.6	145.1	130.1	113.6	101.1	119.3	119.2	110.8	116.0	115.5	110.9	110.7
February	108.1	108.7	105.0	111.6	105.3	109.8	95.1	146.0	130.2	114.5	102.9	119.3	119.2	111.1	116.3	115.0	111.4	111.1
March	110.9	112.1	106.5	115.3	101.8	110.6	96.1	147.5	130.4	115.1	103.1	119.3	119.5	111.3	116.4	115.7	112.0	111.7
April	97.3	106.8	105.6	120.4	102.7	113.8	92.7	143.3	131.4	115.4	103.3	119.3	120.2	111.4	117.3	115.4	112.1	111.9
May	80.6	126.7	110.5	129.0	110.9	121.3	98.8	146.2	132.5	115.7	103.3	119.4	122.7	111.8	119.4	119.0	112.2	112.8
June	85.9	112.9	111.2	134.2	121.3	128.5	98.4	144.3	133.0	115.6	103.3	119.7	123.0	112.4	121.4	119.9	112.2	113.2
July	117.0	103.1	110.5	130.2	123.6	128.9	100.0	151.0	133.0	116.6	102.1	119.9	122.3	112.6	122.0	120.7	112.4	113.3
August	100.5	106.7	108.9	122.1	123.5	124.8	104.1	146.9	133.0	116.8	102.1	120.1	127.2	112.6	121.5	119.9	112.8	113.4
September	122.5	103.4	108.4	118.9	124.5	123.1	100.0	150.0	133.4	116.6	102.1	120.4	127.2	113.1	121.3	120.1	113.2	113.6
October	113.8	101.3	107.9	113.4	124.0	120.3	97.1	150.2	130.7	116.0	104.7	121.2	127.7	115.0	121.6	119.8	113.8	114.0
November	139.8	125.3	111.1	112.4	123.6	119.8	97.7	157.6	131.2	116.3	106.5	121.9	127.9	116.0	121.8	123.1	114.2	114.7
December	155.8	112.4	111.7	114.1	125.8	121.4	100.2	154.5	133.9	116.4	108.0	122.0	127.1	116.1	122.6	123.3	114.6	115.1
	Seasonally adjusted																	
1968																		
January	74.8	111.1	98.7	---	---	---	---	---	123.3	112.9	98.6	117.1	112.1	107.9	111.7	---	---	---
February	83.1	113.3	101.1	---	---	---	---	---	124.0	113.8	99.0	117.5	112.4	108.6	113.2	---	---	---
March	79.4	113.0	102.2	---	---	---	---	---	123.8	114.4	99.3	117.6	113.7	109.1	113.6	---	---	---
April	73.3	104.4	101.8	---	---	---	---	---	126.8	114.6	100.0	117.5	114.3	109.6	113.9	---	---	---
May	85.7	117.3	103.9	---	---	---	---	---	130.3	114.6	106.0	117.3	114.8	109.5	114.7	---	---	---
June	100.1	100.8	102.9	---	---	---	---	---	129.9	114.3	101.2	117.1	116.8	109.3	114.4	---	---	---
July	97.8	103.5	102.4	---	---	---	---	---	128.9	114.7	101.1	118.0	117.0	109.4	115.1	---	---	---
August	94.1	102.5	100.8	---	---	---	---	---	128.8	115.7	102.0	119.4	116.4	109.6	114.7	---	---	---
September	109.8	103.0	102.2	---	---	---	---	---	128.1	114.7	101.5	119.2	117.8	110.1	114.2	---	---	---
October	99.7	107.2	102.1	---	---	---	---	---	129.2	113.8	99.0	119.3	118.0	110.5	114.2	---	---	---
November	96.8	110.5	104.5	---	---	---	---	---	129.1	113.0	99.5	118.8	117.9	110.7	115.2	---	---	---
December	107.6	113.1	103.7	---	---	---	---	---	129.2	112.5	100.5	119.1	118.7	110.5	114.7	---	---	---
1969																		
January	128.1	112.9	105.3	---	---	---	---	---	130.1	112.7	110.0	---	118.3	---	115.7	---	---	---
February	111.1	106.8	104.5	---	---	---	---	---	130.6	114.5	102.1	---	118.3	---	116.1	---	---	---
March	110.1	109.0	106.3	---	---	---	---	---	131.2	115.2	102.7	---	119.5	---	117.1	---	---	---
April	106.1	102.1	105.1	---	---	---	---	---	132.2	115.5	103.4	---	120.9	---	118.6	---	---	---
May	96.1	117.4	109.6	---	---	---	---	---	133.8	115.9	103.7	---	123.4	---	120.2	---	---	---
June	95.3	111.8	111.3	---	---	---	---	---	133.1	115.4	104.1	---	123.2	---	120.7	---	---	---
July	124.5	98.9	108.5	---	---	---	---	---	132.7	116.7	102.6	---	122.4	---	120.7	---	---	---
August	98.0	112.8	108.7	---	---	---	---	---	132.7	118.0	102.6	---	127.5	---	121.1	---	---	---
September	102.3	111.2	108.3	---	---	---	---	---	132.6	117.8	102.1	---	127.3	---	120.5	---	---	---
October	109.0	108.6	109.5	---	---	---	---	---	129.7	115.7	104.9	---	127.4	---	121.7	---	---	---
November	129.3	126.2	112.8	---	---	---	---	---	130.7	115.4	106.3	---	127.5	---	122.4	---	---	---
December	139.7	114.6	112.4	---	---	---	---	---	133.1	115.7	107.6	---	127.0	---	122.8	---	---	---

1/ For earlier annual data, see table 106, Food Consumption, Prices and Expenditures, Agricultural Economics Report No. 138, page 179, by Stephen J. Hiemstra.
2/ Includes potatoes.
3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco.
4/ Includes alcoholic beverages.
5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately.
6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds), plus eggs and fresh and dried fruits and vegetables from the farm products group.
7/ Prior to 1967, includes manufactured animal feeds, soft drinks and alcoholic beverages.
8/ 1969 annual averages for commodity groups computed by ERS.

Source: Bureau of Labor Statistics.

Table 13.--Retail food price indexes and Consumer Price Index, selected periods 1/

(1957-59=100)

Year and month	Food at home																		
	Meats			Poultry 3/	Fish	Eggs	Dairy products 4/	Fats and oils 5/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total	Food away from home	All food	Consumer Price Index, less food	Consumer Price Index
	Beef and veal	Pork	Total 2/						Fresh	Processed	Total								
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	6/	41.9	54.2	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	6/	84.7	79.7	81.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.7	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.8	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	106.1	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	107.4	106.7
1964	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.9	108.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.3	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117 8	108.8	110.4	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	106.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.0	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.8	116.3
1968	117.7	115.0	116.4	91.7	123.8	95.3	120.6	104.4	136.0	115.3	126.8	119.0	118.6	101.0	115.9	136.3	119.3	121.9	121.2
1969	129.5	125.2	126.8	96.9	130.6	112.1	124.5	104.0	138 1	116.3	128.4	122.4	125.1	103.7	121.5	144.6	125.5	128.6	127.7
January	121.1	115.7	118.6	90.8	127.0	119.8	122.7	103.5	136.4	115.3	127.0	120.5	122.7	102.3	118.3	140.3	122.0	124.9	124.1
February	121.3	116.6	119.0	92.3	127.7	116.2	122.8	103.6	132.3	115.3	124.7	120.8	123.1	102.2	118.1	140.7	121.9	125.6	124.6
March	121.4	116.4	119.1	94.2	127.7	108.5	123.0	103.9	137.2	115.8	127.6	121.2	123.8	102.5	118.5	141.3	122.4	126.8	125.6
April	125.1	117.5	121.2	95.3	128.4	109.8	122.9	103.6	137.6	115.9	127.9	121.3	124.4	102.6	119.3	142.2	123.2	127.5	126.4
May	127.9	118.8	123.4	93.3	129.5	97.4	123.6	104.1	140.9	116.3	130.0	121.6	124.7	102.7	119.8	142.8	123.7	127.9	126.8
June	134.6	126.1	129.5	97.3	129.8	92.5	124.0	104.0	142.4	116.3	130.8	122.0	125.2	103.4	121.8	143.7	125.5	128.4	127.6
July	136.8	129.0	131.7	100.4	130.6	95.6	124.4	103.7	145.0	116.4	132.3	122.6	125.3	103.3	123.0	144.8	126.7	128.8	128.2
August	135.4	130.2	131.9	101.4	131.5	114.4	125.0	103.7	141.0	116.7	130.2	122.6	125.4	103.8	123.6	145.8	127.4	129.3	128.7
September	135.0	133.7	133.1	102.0	132.2	113.8	125.5	103.7	134.9	116.9	126.8	123.0	126.0	103.7	123.6	146.7	127.5	130.0	129.3
October	132.9	132.7	132.0	98.2	133.4	114.5	125.8	104.0	130.1	116.6	124.0	123.7	126.4	104.3	122.9	148.1	127.2	130.8	129.8
November	131.5	132.0	131.1	99.1	134.0	122.3	126.3	104.8	135.4	116.8	127.0	124.1	126.6	106.1	123.8	149.0	128.1	131.4	130.5
December	130.6	133.3	131.3	97.9	135.4	140.6	127.6	105.6	144.1	117.1	132.1	124.9	127.5	107.4	125.8	149.9	129.9	131.9	131.3
	Seasonally adjusted																		
1968																			
January	116.2	112.4	114.6	91.1	122.3	81.9	117.9	---	137.7	---	127.0	---	---	---	114.1	---	117.2	---	---
February	116.2	113.9	114.9	87.2	122.7	86.9	118.4	---	135.1	---	125.8	---	---	---	114.3	---	117.4	---	---
March	116.5	116.5	116.1	95.2	121.2	87.6	118.8	---	135.0	---	125.8	---	---	---	114.9	---	118.1	---	---
April	117.3	117.8	116.6	93.3	121.8	92.8	119.4	---	136.3	---	126.9	---	---	---	115.6	---	118.7	---	---
May	118.4	119.1	117.9	93.7	122.7	88.7	120.9	---	139.1	---	128.9	---	---	---	116.3	---	119.4	---	---
June	118.4	115.2	117.3	93.2	123.8	94.9	121.9	---	133.2	---	125.5	---	---	---	115.9	---	119.2	---	---
July	117.9	113.9	116.1	90.4	124.3	96.9	121.5	---	129.9	---	123.4	---	---	---	115.5	---	119.0	---	---
August	118.7	112.9	116.3	93.6	124.4	101.7	121.6	---	133.6	---	125.6	---	---	---	115.8	---	119.7	---	---
September	117.2	112.2	115.5	94.0	125.1	102.1	121.4	---	135.4	---	127.0	---	---	---	116.3	---	120.0	---	---
October	117.8	114.5	116.5	94.2	125.7	106.6	121.7	---	138.4	---	128.4	---	---	---	117.2	---	120.9	---	---
November	119.1	114.5	117.0	93.6	125.9	98.7	121.9	---	138.1	---	128.0	---	---	---	117.2	---	121.0	---	---
December	118.5	116.8	117.7	93.5	126.3	104.0	121.9	---	141.3	---	129.4	---	---	---	117.8	---	121.4	---	---
1969																			
January	121.5	116.5	119.0	94.1	126.5	116.5	122.3	---	141.2	---	129.6	---	---	---	118.5	---	122.2	---	---
February	121.5	117.4	119.1	91.4	127.3	112.4	122.8	---	134.0	---	125.6	---	---	---	118.3	---	122.1	---	---
March	121.8	117.3	119.5	93.2	127.4	110.3	123.2	---	136.7	---	127.3	---	---	---	118.9	---	122.8	---	---
April	126.5	121.0	122.7	96.1	128.3	111.9	123.5	---	134.8	---	126.4	---	---	---	119.7	---	123.6	---	---
May	128.7	124.5	125.9	95.4	129.4	106.6	124.1	---	135.9	---	127.1	---	---	---	120.3	---	124.2	---	---
June	134.9	126.5	130.0	99.9	129.9	103.6	124.5	---	135.2	---	127.0	---	---	---	121.8	---	125.5	---	---
July	136.9	126.2	131.0	101.4	130.7	104.3	124.6	---	131.1	---	124.5	---	---	---	122.0	---	125.8	---	---
August	134.9	125.1	130.0	101.1	131.6	116.4	124.9	---	136.6	---	127.8	---	---	---	122.4	---	126.4	---	---
September	133.5	129.3	131.0	101.4	132.3	106.5	125 1	---	142.3	---	131.0	---	---	---	123.2	---	127.1	---	---
October	131.8	129.8	130.6	100.3	133 9	104.3	125 2	---	138.4	---	128.9	---	---	---	122.9	---	127.1	---	---
November	131.4	132.5	131.1	102.9	134.5	120.1	125.7	---	143.4	---	131.5	---	---	---	124.5	---	128.6	---	---
December	130.9	135.5	132.1	101.2	135.4	130.9	127.1	---	150.6	---	135.2	---	---	---	126.2	---	130.3	---	---

1/ For earlier annual data, see table 96, Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968, page 165, by Stephen J. Hiemstra. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 4/ Includes butter. 5/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 6/ Data not collected prior to 1953.

Bureau of Labor Statistics.

SPECIAL ARTICLES APPEARING IN THE NATIONAL FOOD SITUATION DURING 1967-69 1/

1969

Grocery Store Sales in 1968, NFS-130, November 1969
Cyclamate Sweeteners, NFS-130, November 1969
Nutritional Review, NFS-130, November 1969
USDA Domestic Food Programs, NFS-129, August 1969
A Cross-Sectional View of U.S. Food Consumption, NFS-128, May 1969
Sweetener Situation, NFS-127, February 1969
Coffee Situation, NFS-127, February 1969

1968

Grocery Store Sales in 1967, NFS-126, November 1968
Nutritional Review, NFS-126, November 1968
U.S. Food Consumption: Annual Disappearance Versus Survey Data, NFS-126, November 1968
USDA Food Programs, NFS-125, August 1968
Consumer Prices in Foreign Countries, NFS-125, August 1968
Maple Sirup, NFS-125, August 1968
Military and Civilian Food Consumption, NFS-124, May 1968
Importance of Foreign Trade in Agricultural Commodities, NFS-124, May 1968
Food Manufacturing, NFS-123, February 1968
Comparative Living Costs, NFS-123, February 1968
Population and Food Consumption, NFS-123, February 1968

1967

Expenditures for Food Away From Home, NFS-122, November 1967
Nutritional Review, NFS-122, November 1967
Household Use of Food, 1955-65, NFS-122, November 1967
Grocery Store Sales in 1965-66, NFS-122, November 1967
Foreign Agricultural Trade, NFS-120, May 1967
Forecasting the Quarterly Retail Food Price Index, NFS-120, May 1967

1/ For 1962-66 see National Food Situation, NFS-119, February 1967

The Supplement for 1968 to Agricultural Economic Report No. 138, Food Consumption, Prices, and Expenditures, may be obtained from the Division of Information, OMS, U.S. Department of Agriculture, Washington, D.C. 20250.

This publication revises and updates through 1968 the statistics and charts contained in the original bulletin. Most tables show data beginning 1960. They have reasonably complete footnotes, but omit detailed source notes and information which applies generally. Information developed from the 1965 Survey of Household Food Consumption is added, and a short text summarizes developments through 1968.

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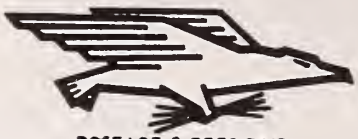

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NATIONAL FOOD Situation

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Table 1.--Consumer, wholesale, and farm price indexes, 1969-70
(1957-59=100)

Item	1969					1970 I	
	I	II	III	IV	Year	Index	Percentage change from 1969 I
Retail prices: 1/							
All goods and services (CPI)	124.8	126.9	128.7	130.5	127.7	132.5	6.2
All items less food	125.8	127.9	129.4	131.4	128.6	133.0	5.7
All food	122.1	124.1	127.2	128.4	125.5	131.3	7.5
Food at home	118.3	120.3	123.4	124.2	121.5	127.1	7.4
Food away from home	140.8	142.9	145.8	149.0	144.6	151.5	7.6
Wholesale prices: 1/							
All commodities	111.2	112.6	113.4	114.6	113.0	116.3	4.6
Industrial commodities	111.4	112.2	112.8	114.2	112.7	115.5	3.7
Farm products	105.5	109.1	109.3	110.2	108.5	113.5	7.6
Processed food	115.8	119.6	122.0	122.2	119.9	124.9	7.9
All food 2/	115.4	118.1	120.2	122.1	119.0	124.8	8.1
Prices received by farmers: 3/							
Crops	101	104	98	99	100	99	-2.0
Livestock and products	117	124	128	130	125	135	15.4
Average	110	115	115	117	114	120	9.1
Market basket of U.S. farm foods: 4/							
Retail cost	115.8	118.2	121.5	122.0	119.4	124.6	7.6
Farm-retail spread	115.2	115.1	118.1	119.5	117.0	121.0	4.9
Farm value	116.8	123.0	126.8	125.8	123.0	130.2	11.6

1/ Department of Labor, Bureau of Labor Statistics. 2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group. 3/ Statistical Reporting Service. 4/ Economic Research Service.

The next issue of the National Food Situation is scheduled to be available August 5, 1970.

The summary is scheduled to be released to the press immediately after the Outlook and Situation Board meeting, August 12, 1970.

NATIONAL FOOD SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
May 7, 1970

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Washington, D.C. 20250

SUMMARY

Increased supplies of poultry, eggs, beef, and canned and frozen fruits and juices suggest that total food consumption per person will increase slightly this year.

Red meat supplies per capita will show little net change: Slightly more beef, but further declines for veal, lamb and mutton. Pork supplies will remain below those of last year until summer, then rise next fall and winter. In the fall, total meat supplies probably will exceed those of a year ago. Retail meat prices are expected to decline somewhat in the fourth quarter.

Per capita supplies of dairy products in 1970 will be nearly the same as in 1969. Continued gains in vegetable oils likely will more than offset a further decline in per capita consumption of animal fats. Processed vegetable supplies per person may be down slightly. Less coffee consumption is likely because of reduced world supplies and higher prices.

The Consumer Price Index for food in March was 131.6 percent of the 1957-59 average, 7.5 percent higher than a year earlier, but only 0.1 percent above the previous month. The March increase was among the smallest monthly gains of the past year. Retail food prices in coming months are expected to fluctuate in a narrow range, and may decline as food supplies increase later in the year. Even so, for 1970 as a whole, food prices may average around $4\frac{1}{2}$ percent higher than in 1969.

Consumer disposable income may gain at least as much this year as last year's 6.7 percent rise. Food expenditures may increase around 5 percent from the $103.6 billion a year ago. Smaller gains in food spending are expected as the year progresses, and the proportion of income spent for food may decline to new lows in

the second half. Last year, 16.5 percent of personal disposable income went for food, a share that has declined rather steadily since World War II.

FOOD PRICES

Retail food prices moved up nearly $2\frac{1}{2}$ percent in the first quarter of 1970 from the preceding quarter to a level $7\frac{1}{2}$ percent above a year earlier. Much of the advance was in meats and fresh vegetables, but substantial contributions were made by eggs, dairy products, beverages and bakery products. Prices of food at home advanced faster than prices of food away from home (fig. 1). In March, however, retail food prices rose only 0.1 percent from February (table 15).

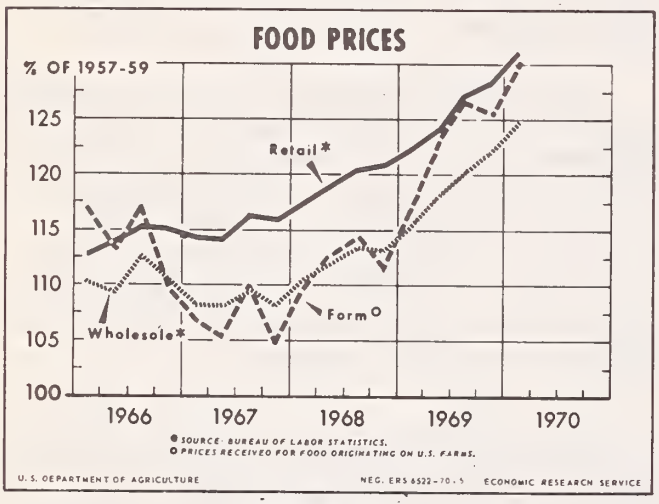

Figure 1

Prices of all nonfood items (commodities and services) also rose over 1 percent, and the Consumer Price Index for all goods and services increased $1\frac{1}{2}$ percent from the fourth quarter to a level 6 percent above a year earlier (fig. 2). Nonfood items contributed most of the rise in the CPI in March (table 15).

Poultry and egg prices turned down from their January levels, but prices of meat, fish, and dairy products continued to advance through March, the latest month reported. Prices of fats and oils, cereal and bakery products, sugar and sweets, and beverages also continued upward. The index of prices of processed fruits and vegetables advanced slowly last year, and this trend appears to be continuing.

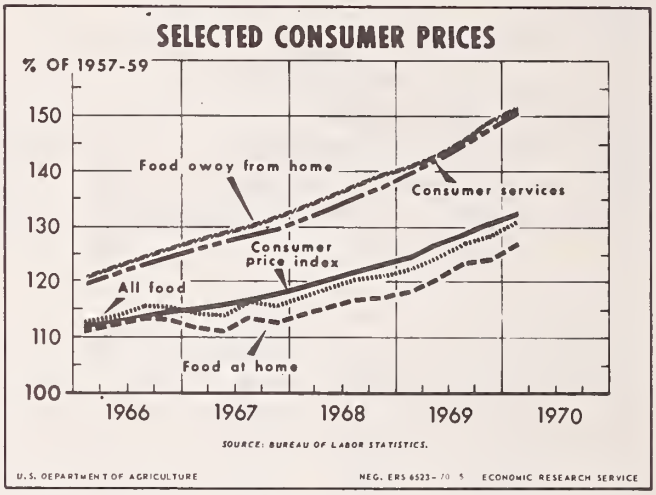

Figure 2

Beef prices in the first quarter were slightly below the high of July 1969. But with the cutback in pork production, rising pork prices brought total meat prices to new highs. Prices of fish also advanced to record levels, and prices of eggs and fresh vegetables were near record.

Outlook for 1970

Retail food prices in 1970 likely will average about $4\frac{1}{2}$ percent higher than in 1969 if supplies of major food items increase as expected. The margin over 1969, at $7\frac{1}{2}$ percent in the first quarter, is expected to narrow as the year progresses. Retail food prices are expected to hold around the level reached in the first quarter. Food-at-home prices may decline, but prices for away-from-home food probably will continue to rise as wage and other service costs advance.

An expected decrease in farm prices from first-quarter levels for livestock products largely reflects prospects for further gain in production of beef, broilers, eggs, turkey, and, later in the year, pork. Poultry and egg prices at retail will likely average below first-quarter and year-ago levels the remainder of the year. However, retail prices for dairy products will likely continue rising

(reflecting the boost in price support levels). Beef and pork prices may rise slightly further but should drop later in the year if supplies increase as expected.

Prices will continue slightly upward from first-quarter 1970 levels for items such as cereal and bakery products, and sugar and sweets, because of increasing costs of processing and distribution. Fresh fruit prices likely will remain below last year's levels through the first half. Prices of processed fruits are expected to continue lower than last year throughout 1970. Fresh vegetable prices, at high levels during the winter due to freeze damage, are expected to decline as the seasonally larger summer and fall crops are marketed. Prices of processed vegetables are expected to continue moderately higher.

World supplies of food fats and oils are less plentiful this year than last. Thus, despite record U.S. supplies, the relatively high wholesale prices of vegetable oils in recent months will likely continue to be reflected at retail throughout the year (table 14). Beverage prices will probably continue upward, partly because of a reduced coffee crop in Brazil.

FOOD SPENDING AND INCOME

First Quarter Up

Food expenditures in the first quarter were at the seasonally adjusted annual rate of $109 billion. This was 3½ percent above the fourth quarter and 6½ percent above a year earlier. With the quarter-to quarter increase in food expenditures considerably greater than the 2 percent increase in personal disposable income, the proportion of income spent for food moved up to 16.5 percent from the 16.2 percent in the fourth quarter. However, the percentage spent for food remained lower than the 16.8 percent registered in January-March 1969 (fig. 3, table 2)

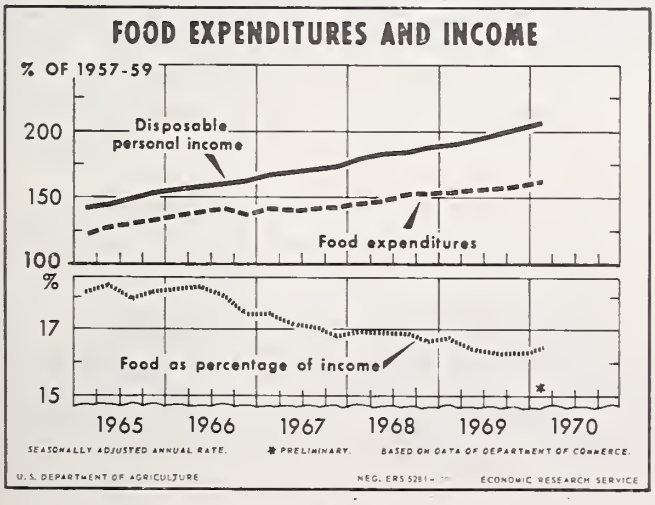

Figure 3

Expenditures for food used at home rose 4 percent from the fourth quarter (seasonally adjusted) to a level 6 percent above a year ago. The level of expenditure for food away from home was 7 percent above that of a year ago, and the fourth-to-first quarter increase was only 2 percent. Compared to a year ago, the proportion of income spent for food was the same, 3.4 percent, for away-from-home food, but it was lower by 0.3 percentage point for the food used at home.

Outlook for the Year

The gain in after-tax income of consumers this year may exceed the 6.7 percent increase of 1969. Food expenditures may increase around 5 percent from the $103.6 billion last year. The advance in spending over 1969, however, is expected to narrow if food prices slow as expected. The proportion of income spent for food is expected to decline again this year, particularly in the second half

Food Sales Strong

According to preliminary information, the dollar volume of food store sales advanced strongly in the first quarter (fig. 4). After seasonal adjustment, they rose nearly 4 percent from the fourth quarter. Eating and drinking place sales

Table 2.--Expenditures for food in relation to disposable income, 1960 and 1965-69 1/

Year	Disposable personal income	Personal consumption expenditures for food 2/					
		For use at home 3/		Away from home 4/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.5	74.2	13.6	19.4	3.5	93.6	17.1
1968	590.0	78.7	13.3	20.7	3.5	99.4	16.8
1969	629.7	82.2	13.1	21.4	3.4	103.6	16.5
I	610.2	81.6	13.4	20.8	3.4	102.4	16.8
II	622.0	81.5	13.1	21.4	3.4	102.9	16.5
III	639.0	82.4	12.9	21.3	3.3	103.7	16.2
IV 5/	647.5	83.4	12.9	21.8	3.3	105.2	16.2
1970							
I 5/	659.9	86.7	13.1	22.3	3.4	109.0	16.5

1/ Quarterly data are seasonally adjusted annual rates. 2/ Derived from data of Department of Commerce, Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 Census of Business, Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and nonpersonal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. 3/ Includes food consumed on farms where produced. 4/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 5/ Preliminary.

increased 2 percent (fig. 5). Sales in establishments other than food stores and eating and drinking places, on a seasonally adjusted basis, remained at the fourth-quarter level.

Food store sales for the period January through April 25, based on advance estimates, were running 7 percent above those a year earlier; sales in eating and drinking place were up 4 percent.

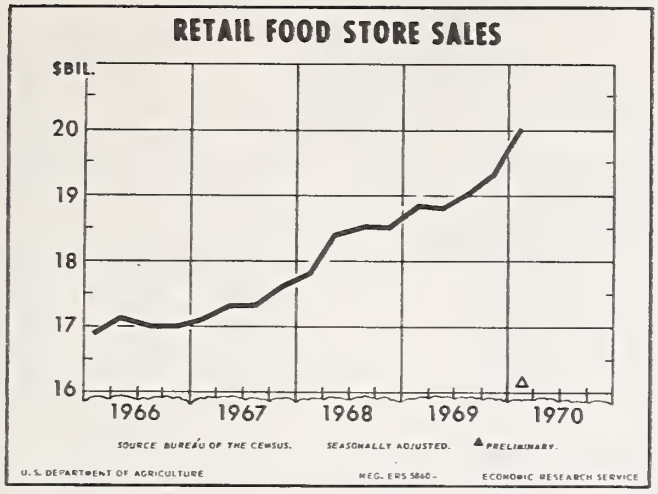

Figure 4

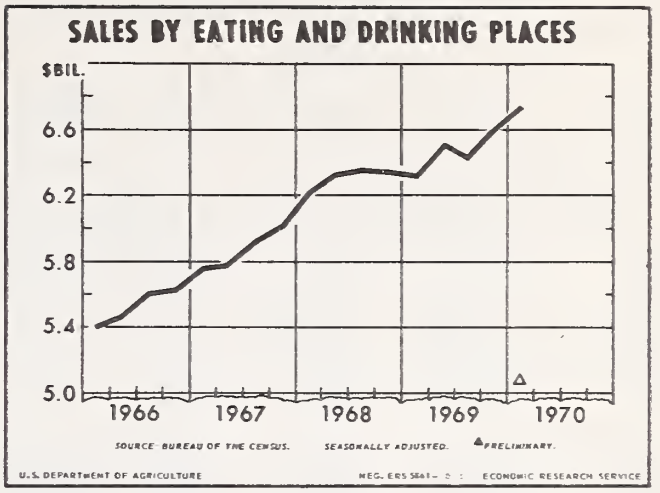

Figure 5

FOOD SUPPLY AND UTILIZATION

Total utilization of farm food commodities in 1969 was fractionally higher than in 1968 (table 3). Civilian food use continued to rise; the annual increase was 1.6 percent. But military food use declined 16 percent, reflecting an adjustment in inventory levels.

Total domestic production of food in 1969 was about the same as in 1968. But both imports and exports of farm food commodities dropped sharply, partly due to the dock strike in late 1968 and early 1969. Imports increased sharply in the fall of 1968 in anticipation of the strike. Quantities of food commodities imported declined 9 percent and those exported declined 7 percent in 1969. Exports of some major food items increased last year, but wheat exports dropped sharply.

Total livestock production is expected to be up modestly this year, led by poultry, eggs, and beef, with milk output likely to be about the same and pork production slightly less. Total crop production may increase slightly (assuming normal weather conditions), led by oilseeds and feed grains. However, wheat production will likely be down moderately.

Total utilization of food products is expected to increase a little more than population growth. Imports and exports also are expected to be up as trade returns to more nearly normal levels.

Military Food Purchases Dropped Sharply

Military food purchases totaled $867 million in 1969, down nearly $200 million from the year before (table 4). This decline reflects a change in troop strength and deployment and a readjustment of inventory levels. There were sizable declines in virtually every major food group. In total, central procurement of food by the military forces plus estimated local procurement for major perishable items accounted for approximately 1.7 percent of the total quantity of all food used in the United States, down from 2.1 percent in 1968 and 2.2 percent in 1967.

Exports and Imports in Relation to Domestic Supplies and Utilization 1/

Export markets continue to be an important outlet for many U.S. farm products as shown in table 5. This table is based on the supply-utilization aggregates used in table 3. But this table includes

1/ Prepared by M. Rachel Modena, Economic Research Service. Domestic supply is defined as production plus stock changes. Domestic utilization equals total utilization minus exports.

Table 3.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1964 to date 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic use: Food: Civilian	Utilization: Domestic use: Food: Military	Utilization: Domestic use: Nonfood: Seed and feed	Utilization: Domestic use: Nonfood: Other	Utilization: Domestic use: Total	Utilization: Exports and shipments 4/
	A.--All food commodities (1957-59=100) 5/									
1964	110.9	102.6	119.5	118.0	112.1	113.3	---	104.4	111.8	181.4
1965	116.1	101.4	108.8	117.4	112.1	127.6	---	108.4	112.3	170.3
1966	114.4	109.7	110.0	120.4	114.0	136.2	---	110.2	114.3	183.4
1967	123.8	110.2	102.9	121.9	117.8	140.9	---	105.5	117.8	164.5
1968	124.1	123.0	112.2	124.5	120.7	138.0	---	107.2	120.5	165.3
1969 6/	124.3	111.9	119.8	125.0	122.8	115.7	---	109.4	122.2	154.1
	Livestock food commodities (1957-59=100)									
1964	114.4	137.9	133.6	115.6	114.4	112.8	98.5	94.5	111.8	192.1
1965	112.5	130.1	106.5	113.2	113.4	124.1	94.7	93.6	111.0	132.6
1966	114.6	172.5	88.3	115.2	116.1	132.8	100.1	87.4	113.7	104.7
1967	118.5	181.7	102.4	118.7	120.0	143.8	88.1	90.9	117.2	106.6
1968	119.2	198.9	131.9	121.2	122.6	143.5	85.1	93.6	119.6	113.3
1969 6/	119.7	205.5	114.7	121.8	123.9	119.2	84.5	90.3	120.1	114.2
	Crop food commodities (1957-59=100)									
1964	106.0	97.1	118.8	117.6	107.2	114.8	110.5	110.3	108.7	178.9
1965	117.5	96.7	108.9	118.7	109.4	135.9	109.2	117.4	109.9	179.1
1966	118.1	100.2	111.1	127.5	109.6	148.0	125.4	124.0	116.7	201.9
1967	128.0	99.7	102.9	123.8	113.0	130.9	119.9	114.3	115.9	178.1
1968	130.0	111.7	111.2	127.4	116.4	118.8	125.8	115.4	120.1	177.5
1969 6/	132.0	98.2	120.1	129.8	120.5	103.7	131.9	121.0	124.9	163.4
	B.--All food commodities: Percentage of annual utilization 5/									
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969 6/	91.1	10.2	-1.3	100.0	84.8	1.5	---	2.8	89.1	10.9
	Livestock food commodities: Percentage of annual utilization									
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969 6/	96.0	3.6	.4	100.0	92.4	1.9	1.9	1.4	97.6	2.4
	Crop food commodities: Percentage of annual utilization									
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969 6/	89.0	13.7	-2.7	100.0	45.3	.5	34.8	3.3	83.9	16.1

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities and comparable data for 1950-63, see National Food Situation, NFS-124 (May 1968), pp. 15-17. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary.

Table 4.--Military food procurement, 1964-69 1/ 2/

Item	1964	1965	1966	1967	1968	1969
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat: 3/						
Beef and veal	528	598	683	734	688	570
Pork	196	241	255	269	288	219
Other	3	4	5	3	5	8
Fish 4/	23	24	39	50	43	31
Chicken and turkey 5/	123	134	153	148	163	117
Eggs 6/	120	147	159	173	168	127
Dairy products 7/	3,007	2,819	2,376	2,117	3,229	2,656
Fats and oils 8/	87	119	159	165	128	111
Fruits:						
Fresh	186	173	185	220	220	200
Processed	231	359	468	410	307	225
Vegetables:						
Fresh 9/	694	755	898	868	707	599
Processed	306	462	446	350	331	310
Cereal products:						
Wheat flour 10/	164	196	228	208	227	169
Other cereal products	28	39	41	60	105	64
Sugar and sirups 11/	140	171	189	191	117	99
Coffee, tea, and cocoa 12/	53	66	58	47	53	32
Value of central procurement (million dollars) 13/	$781	$1,030	$1,118	$1,052	$1,054	$867
Percentage of total quantity of food use in the U.S. 14/	1.9%	2.1%	2.2%	2.2%	2.1%	1.7%

1/ Centrally procured food only, except for dairy products.
2/ Data in terms of product weight unless otherwise indicated.
3/ Carcass weight basis.
4/ Major fish and shellfish items only.
5/ Ready-to-cook basis.
6/ Shell equivalent.
7/ Milk equivalent (butter-fat basis) of all dairy products. Includes locally procured items estimated by USDA.
8/ Includes salad dressing, mayonnaise, and peanut butter; excludes butter.
9/ Includes potatoes and sweetpotatoes. Dehydrated onions and potatoes are converted to fresh weight equivalent.
10/ Wheat flour equivalent.
11/ Excludes sweeteners in manufactured products.
12/ Coffee, roasted bean basis; tea, leaf basis; and beverage cocoa.
13/ Includes minor amounts of nonfood products and food items other than those listed above.
14/ Estimate of total quantity of military consumption; derived from data in the supply and utilization tables, computed by the Economic Research Service, U.S. Department of Agriculture.

Table 5.—Exports and imports of farm and fishery products in relation to domestic supply and utilization, by major commodities, calendar years, 1967-69 1/

Commodity group	Exports as a percentage of domestic supply			Imports as a percentage of domestic utilization		
	1967	1968	1969 2/	1967	1968	1969 2/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Livestock and products						
Cattle and calves	3.2	3.2	3.0	5.5	6.2	6.5
Hogs	2.0	2.1	2.7	2.9	2.9	2.9
Lamb and mutton	3.4	4.1	4.1	21.6	29.3	31.7
Wool and mohair	18.3	24.0	13.7	75.3	82.6	73.4
Dairy products	2.0	2.4	2.3	1.9	1.3	1.1
Poultry products	1.7	1.5	1.6	3/	3/	.1
Other livestock	5.3	5.4	5.6	7.7	7.9	8.1
All livestock products	2.5	2.6	2.6	4.6	5.1	4.9
Fishery products	9.4	8.6	11.9	49.9	55.2	56.1
Crop products						
Fruit, total	10.0	9.1	9.2	19.2	21.1	18.8
Bananas	0	0	0	100.0	100.0	100.0
Other	10.0	9.1	9.2	3.7	5.1	4.9
Treenuts, total	9.2	8.3	12.5	25.2	33.1	25.4
Domestic crops 4/	9.2	8.3	11.9	4.0	6.2	4.5
Cashews, other treenuts	0	0	0	100.0	100.0	102.4
Vegetables and potatoes 5/	3.4	3.3	3.4	2.4	2.4	2.4
Food grains	52.3	48.0	42.9	.5	.3	.4
Feed grains	13.4	13.0	11.2	.2	.2	.2
Food oils and oilseeds, total	35.8	37.7	37.0	9.3	10.8	9.2
Domestic crops 6/	35.8	37.7	37.0	.7	.5	.2
Copra, other oils and oilseeds	—	—	—	92.4	114.5	94.3
Sugars and sirups 7/	1.2	1.3	1.2	50.1	49.9	46.3
Coffee, tea, cocoa	—	—	—	97.6	108.5	93.8
Nonfood crops 8/	19.0	19.0	16.0	8.1	8.4	8.3
All crop products	20.8	20.6	18.0	15.4	16.6	14.5
Net total commodities 9/	15.3	15.3	13.9	13.4	14.7	12.7

1/ Domestic products are weighted using 1957-59 average farm and wharf prices; nondomestic products use dockside prices. Domestic supply equals production plus stock changes (total utilization minus imports); domestic utilization equals total utilization minus exports. On 50-State basis. 2/ Preliminary. 3/ Less than 0.05 percent. 4/ Almonds, filberts, walnuts, pecans and macadamias. 5/ Includes dried beans and peas, cowpeas, popcorn, and mustard seed. 6/ Sunflower seed, cottonseed, flaxseed, peanuts, and soybeans. 7/ Inshipments from Puerto Rico, included with imports, amounted to 6.0 percent of domestic utilization in 1967; 4.4 percent in 1968, and 3.0 percent in 1969. 8/ Cotton, tobacco, broomcorn, field crop seeds, hay, hops, sorghum forage and silage, vegetable seeds and nonfood oil crops (castor beans, palm kernels and palm fruit, rapeseed, and tung nuts). 9/ Seed and feed used domestically excluded to avoid duplication in aggregating crop and livestock commodities. For 1965 and 1966 data, see the May 1968 issue of the National Food Situation.

Table 6.--Volume of farm marketings and home consumption 1/
(1957-59=100)

Item	1969 preliminary	1970 indications	Percentage change
			Percent
All farm commodities	124	126	2
Food marketing and home consumption	121	122	1
Food marketings	126	127	1
Total food livestock	125	127	2
Meat animals	130	131	1
Poultry and eggs	141	151	7
Dairy products	103	103	0
Total food crops	129	127	-2
Food grains	128	119	-7
Vegetables 2/	115	115	0
Fruit and nuts	132	136	3
Sugar crops	177	179	1
Home consumption	45	44	-2
Livestock	44	43	-2
Crops	48	47	-2
Nonfood marketings	131	137	5

1/ Quantities of farm products weighted by constant farm prices. Data on a 50-State basis. Data beginning 1910 reported in Food Consumption, Prices and Expenditures, Agric. Econ. Report No. 138, July 1968, p. 163, are on a 48-State basis.
2/ Includes potatoes, dry edible beans, and melons.

all food and nonfood commodities while table 3 excludes nonfood commodities and fish

In 1969 less than 5 percent of livestock food products were imported--about the same proportion as in other recent years. Only lamb and mutton had more than a tenth of total use from foreign sources.

Imports represented over half of the edible fishery products used in this country last year. This proportion, large for many years, was the highest of record in 1969.

In 1969, exports accounted for around 14 percent of the total net domestic supply of all farm and fishery products, down slightly from recent years. Exports provided a market for 18 percent of our crop products, but less than 3 percent of livestock products. Food grains and oils and oilseeds are our most important, export commodities.

In 1969 imports accounted for nearly 13 percent of domestic utilization of farm and fishery products, a decrease of almost 2 percent from 1968 (table 5).

About 15 percent of the domestic utilization of crop products was imported in 1969, down from around 17 percent in 1968. The United States depends on imports of coffee, tea, cocoa, bananas, certain spices and treenuts, and tropical oilbearing materials. Over 40 percent of the total use of sugar in the United States comes from foreign sources.

CONSUMPTION AND DEMAND

Another small increase in food consumption per person is likely this year. Most of the gain will be in poultry, eggs, beef, fish, and processed fruits (table 7).

Red meat consumption per capita apparently will continue below 1969 into summer, but may be greater than a year ago by fall, if pork production increases as expected. Consumption per person of poultry meat will be larger throughout the year, and will be seasonally largest in the second half. (Fig. 6.)

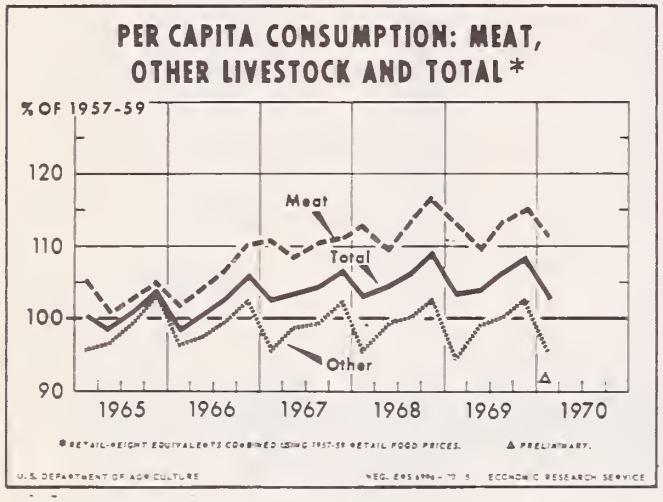

Figure 6

Ample supplies of processed fruit (canned and frozen) are available from last year's pack, and new fruit crops appear to be shaping up well. The trend toward increased processing of potatoes continues. Consumption of potatoes in processed form (chips, fries, dehydrated, and peeled) likely will set a new record this year, without much change in consumption of fresh potatoes per person.

Food from Livestock

Consumption of red meats in the first quarter of 1970 averaged about a half pound per person less than the 46 pounds consumed in January-March 1969 (table 8). Beef consumption was up, but declines in pork, veal, and lamb were more than offsetting. Red meat consumption is expected to run above a year earlier later this year as pork supplies increase (table 9). Somewhat reduced supplies of meat last winter, coupled with continued strong consumer demand, led to further rises in retail meat prices. Meat prices are expected to continue relatively high through summer but may decline more than usual this fall.

Beef consumption in the first quarter was up about a pound per person from the 27.1 pounds for January-March 1969. Stepped-up production of fed beef and larger imports accounted for all of the increase. Production of lower quality beef dropped considerably. Beef consumption this spring is expected to continue moderately larger than a year earlier, but gains this summer and fall may be small.

Per capita pork consumption in the winter averaged about 1-3/4 pounds less than the 17 pounds consumed a year earlier. Consumption this spring is expected to be off about a pound. Consumption will decline seasonally in the summer, but may be about the same as a year earlier. However, pork consumption is expected to rise sharply from summer levels and by fall run well above a year earlier. Retail pork prices continued to rise in the winter, reflecting reduced supplies. Further price increases are likely through summer when slaughter supplies are seasonally low. Prices probably will decline more than usual in the fall.

Veal consumption is declining again this year, reflecting the steady reduction in dairy cow numbers and a strong demand for calves by feedlot operators. Last year veal consumption ran 3.4 pounds per person. This year it may drop below 3 pounds. Retail veal prices have risen as veal consumption has dropped and as prices of other red meats have gone up. Veal is expected to continue a higher priced meat in 1970.

Consumption of lamb and mutton also has dropped in recent years because of reduced numbers of sheep and lambs on farms. A further small drop in consumption is likely this year from the 3.4 pounds consumed per person last year.

Table 7.--Food consumption per capita, 1960-70 1/
(1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	102	102	98	94	98	92	106	99	97	102	99
1961	101	112	102	92	97	94	103	99	93	99	96
1962	102	110	101	92	97	93	107	100	89	103	95
1963	105	112	102	89	97	89	112	101	80	94	87
1964	108	114	99	89	97	87	119	103	85	91	88
1965	104	122	103	88	96	83	121	102	87	96	92
1966	106	131	102	88	95	75	134	105	87	97	92
1967	110	136	102	91	93	75	131	104	87	107	97
1968	113	134	104	90	94	77	137	107	85	103	94
1969 4/	113	142	105	89	93	71	145	109	87	109	97

	Vegetables 6/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 7/	Total
1960	100	103	101	94	131	100	102	101	99.6	101.5	100.5
1961	98	104	99	92	137	99	102	102	99.7	100.7	100.1
1962	95	109	99	88	150	98	103	103	100.1	100.8	100.4
1963	94	109	99	90	160	97	103	106	101.3	100.2	100.8
1964	93	111	98	82	178	98	103	103	102.8	100.7	101.8
1965	93	116	99	77	202	98	103	100	100.9	102.0	101.4
1966	91	118	99	77	229	96	104	100	102.1	103.0	102.5
1967	93	122	102	73	234	97	104	101	104.1	104.5	104.3
1968	92	126	102	73	247	98	107	101	105.6	105.6	105.6
1969 4/	92	127	102	70	257	98	107	97	105.4	106.5	105.9
1970 5/									105.5	106.8	106.1

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in table 2, National Food Situation, NFS-124 (May 1968), p. 2, and in table 1, Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.

2/ Includes butter.

3/ Excludes melons and baby food.

4/ Preliminary.

5/ Preliminary indications.

6/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes.

7/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 8.—Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1965-69 1/

Commodity	Average 1957-59	1965	1966	1967	1968	1969 preliminary	1969 as percentage of 1968
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Pct.
Meats (carcass weight)	156.6	166.7	170.5	177.8	182.7	182.3	100
Beef	82.1	99.3	104.0	106.2	109.4	110.7	101
Veal	7.1	5.2	4.5	3.8	3.6	3.4	94
Lamb and mutton	4.4	3.7	4.0	3.9	3.7	3.4	92
Pork (excluding lard)	63.0	58.5	58.0	63.9	66.0	64.8	98
Fish (edible weight)	10.5	10.9	10.8	10.8	11.0	11.1	101
Poultry products:							
Eggs (farm basis)—Number	356	314	313	323	320	316	99
Chicken (ready-to-cook)	27.5	33.3	36.0	37.1	37.1	39.3	106
Turkey (ready-to-cook)	6.0	7.5	7.8	8.6	7.9	8.4	106
Dairy products:							
Cheese	7.9	9.5	9.7	10.1	10.6	11.0	104
Condensed and evaporated milk	14.8	10.6	9.7	9.0	8.9	8.1	91
Fluid milk and cream (milk equivalent)	337	301	296	285	279	272	97
Ice cream (product weight)	18.4	18.5	18.1	17.8	18.3	18.1	99
Fats and oils—Total, fat content	45.3	47.7	49.6	49.2	51.0	51.8	102
Butter (actual weight)	8.2	6.4	5.7	5.5	5.6	5.4	96
Margarine (actual weight)	8.9	9.9	10.5	10.5	10.8	10.8	100
Lard	9.3	6.4	5.5	5.4	5.6	5.1	91
Shortening	11.4	14.0	15.9	15.9	16.2	17.0	105
Other edible fats and oils	10.8	14.1	15.1	15.1	16.0	16.7	104
Fruits:							
Fresh	95.5	80.9	81.2	80.7	78.0	79.9	102
Citrus	34.0	29.0	29.0	31.5	26.2	28.5	109
Apples (commercial)	21.0	16.3	15.9	16.1	15.6	16.3	104
Other (excluding melons)	40.5	35.6	36.3	33.1	36.2	35.1	97
Processed:							
Canned fruit	22.4	23.4	22.8	22.5	22.6	23.8	105
Canned juice	13.5	10.8	11.6	11.7	12.2	14.0	115
Frozen (including juices)	8.6	8.5	8.1	10.1	9.3	9.3	100
Dried	3.3	3.0	3.0	2.8	2.7	2.8	104
Vegetables:							
Fresh 2/	104.1	98.4	95.8	97.8	98.3	97.6	99
Canned, excluding potatoes and sweetpotatoes	43.3	46.8	47.4	48.8	50.2	51.1	102
Frozen, excluding potatoes	6.6	8.1	8.8	9.0	9.6	9.1	95
Potatoes, fresh equivalent	106.9	107.5	113.3	111.1	115.5	115.9	100
Sweetpotatoes, fresh equivalent	8.3	6.2	6.3	5.8	5.7	5.8	102
Grains:							
Cornmeal and flour	7.4	6.5	6.9	7.2	7.3	7.4	101
Corn sirup	9.4	13.6	14.0	14.0	14.7	15.0	102
Corn sugar	3.6	4.5	4.5	4.6	4.7	4.8	102
Wheat flour 3/	120	113	111	112	112	112	100
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.6	7.3	7.5	7.8	8.3	106
Other:							
Coffee (green beans)	15.7	14.8	14.5	14.8	14.8	14.1	95
Tea	.58	.68	.69	.69	.72	.73	101
Cocoa beans	3.5	4.0	4.2	4.2	4.3	3.9	91
Peanuts (shelled)	4.6	5.6	5.5	5.7	5.8	6.0	103
Dry edible beans	7.7	6.6	6.3	6.9	6.3	6.7	106
Melons	25.1	23.6	21.9	22.3	22.3	22.4	100
Sugar (refined)	96.1	96.4	97.4	97.1	99.8	99.7	100
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Civilian population 4/	171.5	191.9	193.8	195.7	197.6	199.7	101

1/ Quantity in pounds except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Table 9.--Livestock products: Per capita civilian consumption indexes, quarterly, 1966-70 1/
(1957-59=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products		Animal fats, including butter	Total livestock products 2/
					Excluding butter	Including butter		
1966	I	101.9	103.2	88.4	98.7	96.9	80.1	98.8
	II	104.2	120.0	85.8	98.4	95.8	71.7	100.5
	III	106.9	139.4	86.7	97.3	93.9	70.1	102.9
	IV	110.3	159.7	91.5	94.4	92.5	77.0	105.9
1967	I	110.7	110.3	90.9	95.1	93.2	77.8	102.4
	II	108.6	128.3	88.3	98.4	95.4	70.3	103.4
	III	110.2	143.2	90.0	94.8	92.0	73.0	104.3
	IV	111.0	164.0	93.9	92.4	90.7	79.4	106.2
1968	I	112.6	114.2	93.1	93.3	91.5	79.7	103.2
	II	109.9	123.7	88.6	99.4	96.7	74.6	104.2
	III	113.6	139.0	87.7	97.4	94.4	73.0	106.2
	IV	116.7	159.5	90.4	94.7	92.8	80.7	109.0
1969 3/	I	113.6	117.7	90.1	93.2	91.0	72.4	103.3
	II	109.4	133.1	87.6	97.9	94.9	66.4	103.7
	III	113.4	147.5	87.7	95.6	92.8	71.0	106.2
	IV	114.8	170.4	90.0	93.9	91.6	72.7	108.3
1970 3/	I	111.8	127.9	90.4	92.6	90.0	67.7	102.9

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combine in terms of average 1957-59 retail prices. Data since 1955 are in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.
2/ Excludes fish and honey.
3/ Preliminary.

Retail lamb prices rose sharply in the first half of 1969, but have been fairly steady since.

Broiler meat output during January-March was 14 percent above a year earlier. Chick placements indicate broiler supplies for spring about a tenth larger. Supplies are likely to continue larger through 1970, but the gain over 1969 may narrow if red meat supplies increase as expected. Retail prices in January-March were above a year earlier despite larger supplies. However, with sharply higher production during February and March, wholesale prices of broilers fell below a year earlier. Since substantially larger production is indicated for coming months, prices likely will remain below those of last year in the spring and summer.

Supplies of turkey meat in the first half of 1970 lagged because of reduced beginning stocks. But the 1970 turkey crop, produced mostly in the second half, will be somewhat larger than in 1969. However, consumption per person for the year may total a little lower than last year's 8.4 pounds. Turkey prices have been above a year earlier so far in 1970. Retail prices will continue relatively strong through summer, but may decline in the fall and average below last year in view of expected increased supplies of other poultry and red meat.

Egg production in January-March was up 1.5 percent from a year earlier. Production will increase seasonally and average moderately above 1969 through summer. Retail egg prices for 1970 prior to Easter were substantially above 1969. However, prices declined more sharply than usual after Easter. Wholesale prices for Grade A large eggs fell 10 cents a dozen to near the post-Easter price levels of 1969. Prices may continue to decline in the spring as production increases seasonally. Prices will then show seasonal strength into summer, but likely will remain below 1969 levels.

Milk production during the first quarter was up slightly from a year earlier. Cow numbers were down about 2 percent, and milk per cow gained about 2½ percent.

The retail price index for dairy products in January-March was up 5 percent from a year earlier. An increase in the dairy support price level is limiting second-quarter seasonal price declines.

Food from Crops

Supplies of wheat, rye, and rice continue well in excess of domestic requirements. Per capita consumption of these cereals in 1970 will likely average about the same as in 1969.

Per capita consumption of edible fats and oils in 1970 is expected to be about half a pound above the 51.8 pounds of 1969. The increase will occur in margarine, shortening, and cooking and salad oils, more than offsetting declines in butter and lard. Lard production continues to decline and lard consumption is expected to be down in all major categories--in margarine and shortening manufacture, as well as in direct use. Retail prices during 1970 are expected to average somewhat above 1969, due to stronger wholesale prices in world markets for food fats and oils.

The 1969-70 citrus crop will nearly equal last year's large output. However, because of increased juice yields supplies of frozen concentrated orange juice and chilled orange juice, the two most important processed orange products, are up substantially from a year ago.

Harvest has progressed at a rapid pace; thus, citrus remaining for harvest is substantially below year-earlier levels. The Valencia crop, the main source of orange supplies from now through late summer, is expected to total 9 percent below last season's crop. Supplies of grapefruit this spring and early summer will also be below last year.

Further increases in the pack of frozen orange concentrate are expected before the season ends this summer. Florida packers in mid-February reduced the price of frozen concentrated orange juice from $1.75 to $1.53 per dozen 6-ounce cans (unadvertised brands). Current retail prices are below a year earlier. Inventories are larger for most processed grapefruit

products. But prices for such items are likely to continue higher until new-crop prospects are known.

Only apples among the fresh noncitrus fruits remain in quantity from the 1969 crop. Cold storage supplies of apples on March 31 were 47 percent larger than a year earlier. Although prices will increase seasonally, they are expected to continue below last year through the remainder of the storage season.

Domestic shipments of fresh strawberries have been running sharply ahead of last year and imports from Mexico have also increased. F.o.b. wholesale prices for fresh strawberries since the start of the season have averaged substantially below last year. Supplies from the Florida winter strawberry crop are declining seasonally, but harvest of California spring strawberries is running earlier than usual. In the early spring States--Louisiana and Texas--and in California, the crops are slightly larger than last year.

Freezes in March damaged peach crops in the 9 Southern States, main source of fresh peaches during June, July, and August. Damage varied by varieties and areas. April 1 peach prospects indicate a smaller crop than in either of the last 2 years. Prices for early-season peaches are likely to be above last year.

Remaining stocks of most processed noncitrus fruits appear to be substantially larger than a year ago. No substantial price changes are likely until the new packing season begins.

Supplies of fresh vegetables this spring are likely to be only slightly less than a year earlier even though these crops in Florida were hurt by late March rains, which delayed and reduced harvests. More cabbage from Texas and California and increased imports of tomatoes from Mexico have partly offset the lighter supplies from Florida. Although Florida vegetables supplies are increasing seasonally, they will not reach year-earlier levels. The early-spring onion crop in Texas is one-fourth less. In California, lettuce supplies remain substantially larger, and more nearly normal supplies of broccoli and cauliflower have been available in recent weeks. In both Florida and California a somewhat larger supply of spring celery is expected. On balance, spring vegetable supplies are expected to be a little smaller than last year, although they will be increasing seasonally.

Processed vegetable inventories are only moderately under the large supplies of a year ago, and carry-in to the new pack season will be more nearly normal than the heavy carry-ins of the past two seasons. With supplies of many processed vegetables still liberal, however, packers are again contracting for less total acreage this year. Wholesale and retail prices generally have moved up some from the relatively low prices of a year earlier. All the major canned vegetables--tomatoes, sweet corn, snap beans, and peas--fit in this pattern. Cucumber pickles and kraut cabbage have been in lighter supply. Anticipated smaller 1970 packs, and a slightly smaller carry-in, will also bring frozen vegetable supplies closer to trade needs. Total supplies of processed vegetables are likely to be more closely geared to market needs in the 1970/71 season, assuming average harvest conditions.

Stocks of 1969 fall crop potatoes are slightly less than a year earlier. Total disappearance, including a relatively large shrinkage, has exceeded that of the previous season. And new crop potato supplies will continue substantially less this spring than last, since early-spring production is down a fourth. Acreage indications for the late-spring crop are down about a tenth. But growers of late-summer and fall potatoes intend 2 percent more acreage than in 1969.

The sweetpotato industry expects to cut acreage moderately. Last season slightly larger supplies exceeded demand and prices lagged. Only Louisiana expects to grow more this year. Prospective plantings nationally are down nearly 5 percent with largest reductions expected in the mid-Atlantic States and Virginia.

Dry bean supplies have been the largest in 3 years, but market prices have been mixed. With fewer colored beans, prices have been higher than in 1968/69, but pea beans have been trading only slightly above support levels. Growers reported their intentions to plant virtually the same acreage this year, and carry-in stocks are not expected to be burdensome.

FISHERY PRODUCTS SITUATION 1/

Per capita consumption of edible commercial fishery products rose to 11.1 pounds in 1969--up from 11.0 pounds the year before and the highest since 1954. All of the gain was in the fresh and frozen category. Per capita consumption of fresh and frozen fish and shellfish rose from 6.2 pounds in 1968 to 6.4 pounds in 1969. Contributing were record supplies of fillets (groundfish, ocean perch, and other species). Also boosting consumption was a 25 percent increase in sales of fish sticks and portions.

Per capita consumption of canned fishery products dropped from 4.3 pounds in 1968 to 4.2 pounds in 1969. The pack of canned fish and shellfish for human consumption dropped about 9 percent below 1968. The 1969 pack of salmon was one of the smallest on record. The tuna pack was slightly less than the year before. The packs of sardines and mackerel were down considerably from 1968. Major products showing increases were shrimp, clam chowder, and crab meat. The 1969 pack of shrimp was the second highest on record.

Consumption of cured fish remained on a plateau at 0.5 pound per capita.

Total inventories of frozen fishery products at the start of second-quarter 1970 were about equal to those on hand a year ago. Stocks of fish sticks and portions were 18 percent heavier. However, inventories of the raw material from which sticks and portions are made were down 20 percent. Inventories of frozen fillets and steaks were up 18 percent; only ocean perch fillets were in significantly smaller supply.

Stocks of dressed halibut on April 1 were up considerably over last year, while cold storage holdings of salmon were about half those of last year.

Supplies of blue crabs are expected to be the largest in many years. Salmon is another product for which supplies are expected to be heavy--particularly after midyear. This will apply to fresh, frozen, and canned salmon. Supplies of several shellfish--notably shrimp, crabs, and spiny lobster tails--are expected to be more than ample in coming months.

Demand for fishery products is strong. Movement generally was good in the early months of 1970 even though the January-March retail price index for fish averaged 8.5 percent higher than a year earlier.

1/ Prepared by Donald R. Whitaker, Current Economic Analysis Division, Bureau of Commercial Fisheries, U.S. Department of the Interior.

SUGAR AND TROPICAL PRODUCTS—SITUATION AND OUTLOOK

Sugar

Per capita sugar consumption totaled about 100 pounds last year, about the same as in 1968. Physical deliveries this year through April 30 ran ahead of last year. Per capita consumption this year appears likely at least to approximate last year's level.

Household use (consumer packages) represented 25 percent of sugar consumption last year, down from 29 percent in 1965 and about the same as in 1968. But use in commercially prepared beverages (largely soft drinks) accounted for 21 percent of total use last year compared with 17 percent in 1965 and 20 percent in 1968. Use in commercially prepared foods represented 43 percent of total sugar use last year, increasing slightly over 1968.

Beverage use has shown the largest share of growth in use of sugar in recent years. Its increasing use and that in commercially prepared foods has offset declining package use, so that per capita sugar consumption of 96.6 pounds was relatively unchanged from 1950 to 1967. Beginning in 1968, beverage use and use in prepared foods increased slightly faster than package use declined, resulting in a 3-pound increase in per capita sugar consumption.

Sugar prices were firm in the first quarter this year. The raw sugar price (New York spot) averaged 7.99 cents per pound, up from 7.71 cents a year earlier. Similarly, wholesale refined sugar prices were up moderately. The U.S. average retail price was 12.58 cents per pound for the first quarter this year compared with 12.23 cents a year earlier. For the year, sweetener prices at all levels will likely remain firm.

While retail sugar prices were up less than 3 percent from a year ago, retail soft drink prices were up 5.2 percent and fruit-flavored soft drink prices were up 5.7 percent. Soft drink consumption likely will continue upward despite the increased prices.

Coffee

Per capita consumption of coffee totaled 14.1 pounds in 1969 (green bean equivalent), down significantly from 14.8 pounds in 1968. Per capita consumption this year appears likely to remain near last year's reduced level or possible decline with both wholesale and retail prices substantially higher than last year.

Per capita consumption of coffee has declined nearly 2 pounds from the recent high of 16 pounds in 1962. Several reasons have been advanced for this. One explanation is that people today are drinking weaker coffees. Another is that the extraction processes for instant coffees are so much more efficient than home brewing that measuring consumption of green beans provides an inadequate measure of trend. Although bean equivalent is not a precise measure of coffee consumption, both its direction and magnitude of changes were generally consistent with trends in coffee consumption on a cup-per-day basis as follows:

Calendar year	Pounds per year (green bean equivalent)	Cups per person per day*
1960	15.8	2.77
1961	15.8	2.97
1962	15.9	3.12
1963	15.7	3.01
1964	15.3	2.90
1965	14.8	2.79
1966	14.5	2.86
1967	14.8	2.84
1968	14.8	2.72
1969	14.1	2.68

*Data from Pan-American Coffee Bureau, based on sample surveys, winter seasons.

The decline in coffee consumption has also been associated with a decrease in consumption among younger persons. Based on data from the Pan-American Coffee Bureau, there have been significant declines in per cup consumption, approximately one-fifth less among the younger age groups (less than 30) compared with one and two decades ago. There have been some offsetting increases in the coffee consumption of people over 30.

Per capita soft drink consumption increased approximately 65 percent during 1962-69, while coffee consumption declined 11 to 14 percent. And though not as spectacular, per capita tea consumption increased nearly 15 percent (leaf basis) during the same period.

Moreover, the impact of freeze-dried coffee since mid-1968 was slight. Total roastings for soluble coffee in 1969 rose only 5.0 percent from 1968, which in turn showed only a 4.3 percent gain from 1967. Moreover, both roastings for regular coffee and total roastings declined during this period. This would indicate freeze-dried coffee has partly replaced both regular soluble and regular coffee, but has not yet increased total coffee consumption.

Coffee consumption is expected to decline again this year, reflecting higher world prices. The 1969/70 crop was about 5.6 percent larger than the year before. But because world consumption has exceeded world production for 4 consecutive years, there will be another drawdown of stocks. Moreover, the harvest, scheduled to begin about May in some countries, is expected to be down considerably because of severe frost damage last July in Brazil.

Green Arabica (milder flavor) coffee prices in February were 4 to 6 cents per pound higher than in the fourth quarter last year and 13 to 17 cents per pound higher than a year earlier. But green Robusta (strong flavor) prices in February were only about a cent per pound higher than in the fourth quarter and 7 cents higher than a year ago.

Increases in retail prices have lagged somewhat, but the U.S. average price of canned coffee in February was 6.4 cents per pound higher than in the fourth quarter last year and 8.5 cents above a year earlier. Similarly, the U.S. average price of a 6-ounce jar of instant coffee in February was 4.5 cents higher than in the fourth quarter last year and 9.8 cents per jar higher than a year ago.

Cocoa and Chocolate

Per capita cocoa consumption totaled 3.9 pounds in 1969 (bean equivalent), down from 4.3 pounds in 1968. Per capita consumption in 1970 is expected to remain near last year's level, although prices are likely to decline slightly.

The 1969/70 world cocoa crop (October-September) is estimated to be about 11.5 percent larger than the poor 1968/69 crop. World production is expected to exceed consumption, following 4 consecutive years of deficit production, with both foreign and U.S. stocks worked down to comparatively low levels.

Despite larger cocoa supplies for this calendar year, both foreign and U.S. grindings are expected to fall somewhat short of last year's volume, as manufacturers are working off last year's higher priced cocoa. Moreover, several companies have reformulated their production lines with chocolate coatings containing lower priced vegetable fats, rather than cocoa butter. Final output of confectionery is expected to be 2 to 3 percent larger this year than in 1969, but less cocoa will be needed because of the greater use of extenders and substitutes.

The cocoa bean grind in 1970 is expected to decline about 5 percent from the 592 million pounds in 1969. The first quarter grind of 143.5 million pounds was down 6.1 percent from the first quarter last year and was the lowest first quarter grind since 1962. However, imports of cocoa beans and semiprocessed and consumer cocoa and chocolate products are expected to rise, reflecting larger world supplies.

Cocoa bean prices (New York "Accra") averaged 35.8 cents per pound for the first quarter this year compared with 44.3 cents a year earlier and 46.8 cents in the last quarter of 1969. Prices continued downward through April. Cocoa prices for the year are likely to hold within the 30 to 35 cent range, assuming an average world cocoa harvest in 1970/71.

The drop in bean prices has begun to be reflected at retail. The average price of chocolate bars declined slightly in February from last year's fourth quarter level. Chocolate bar prices will probably be somewhat lower this year than last, despite rising handling and distribution costs.

The primary difference between cocoa and chocolate is in the fat content. Chocolate usually contains about 35 percent fat, of which about half is added cocoa butter. Cocoa powder normally contains only 10 to 15 percent cocoa fat. Either product may be marketed sweetened or unsweetened, though the unsweetened accounts for only a small portion of retail sales. Milk solids and sugar are added to make milk chocolate. Chocolate is priced substantially higher than cocoa.

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CONSUMPTION OF CORN, OAT, AND BARLEY FOOD PRODUCTS

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ABSTRACT: Per capita consumption of corn food products has increased more than 30 percent during the past 15 years, due largely to increasing consumption of corn sirup and sugar (dextrose). Combined consumption of corn meal and hominy grits has made a modest increase following a long-term downtrend. In recent years, over 200 million bushels of corn have gone into the production of food products, about 80 million more than the low point of the mid-1950's. Consumption of oat food products has fallen a little in recent years, after rising since 1950. The use of barley in food products--principally malt--has increased during the past decade but it still amounts to only 1 or 2 pounds per capita.
KEY WORDS: Corn sirup and sugar (dextrose), corn meal, hominy grits, malt, oat food products, prepared cereals.

Per capita consumption of corn food products has increased the past 15 years, following a long-term downtrend. Consumption of barley food products also has increased in recent years, but there has been a downtrend for oat food products.

Corn is by far the most important in food use, with over 200 million bushels processed into food products in recent years (table 10). Only about 43-45 million bushels of oats and 7 or 8 million bushels of barley go into food uses.

Quantity estimates of many of the grain food products have been revised from 1963 to date, based on information from the 1967 Census of Manufactures. It reported a rise in output of corn meal and corn flour for human food and in prepared cereals from 1963 to 1967, but a reduction in hominy and grits. While oatmeal shipments dropped sharply, this was largely offset by a marked increase in ready-to-eat oat breakfast foods.

Consumption of Corn Food Products Rising

Consumption of food products made from corn has shown a substantial gain in the last 15 years. An estimated 214 million bushels were used in making food products in 1969, an increase of over 60 percent since 1954. Per capita consumption of these products increased about a third during this period. This increase was due largely to increased consumption of corn sugar and sirup, products of the wet processing industry. The major dry process products--corn meal and hominy grits--made a slight gain during the past 10 years, following a long-term downtrend.

Corn meal, important in the Nation's diet at the beginning of the century, declined into the early 1960's. Corn meal and corn flour consumption totaled over 50 pounds per capita in 1910, but fell to only about 6 pounds in the early 1960's. The Census of Manufactures reported a rise in corn meal for human food since 1963, with 1,641 million pounds shipped from plants in 1967, 384 million more than in 1963. This increase was probably due partly to an increase in the use of corn meal in secondary products, such as corn chips, which have gained in popularity in recent years.

Consumption of hominy and grits, on the other hand, declined from 1963 to 1967, following an increase from 1958 to 1963. Because of the similarity of the dry milled products, it seems more

Table 10.—Civilian food consumption of corn, oats, and barley
United States, 1950-69 1/

Year	Corn								Oats 3/			Barley 4/		
	Per capita food consumption of corn products						Grain equivalent		Per capita consumption of food products	Grain equivalent		Per capita consumption of food products 5/	Grain equivalent	
	Sirup	Sugar (dextrose)	Starch	Cornmeal and flour 2/	Hominy and grits 2/	Prepared cereals 2/	Total	Per capita		Total	Per capita		Total	Per capita
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Mil. bu.	Lb.	Lb.	Mil. bu.	Lb.	Lb.	Mil. bu.	Lb.
1950	9.2	4.5	1.9	11.8	2.6	1.5	135	50.5	3.3	31	6.7	1.4	6	2.0
1951	9.0	4.1	1.9	10.8	2.6	1.6	132	49.0	3.3	32	6.8	1.4	6	1.9
1952	8.7	3.9	1.8	10.4	2.5	1.6	130	47.6	3.3	32	6.8	1.3	6	1.9
1953	8.8	4.0	1.8	9.8	2.4	1.6	129	46.2	3.3	33	6.8	1.2	6	1.7
1954	8.8	3.8	1.8	9.3	2.4	1.7	128	44.9	3.2	33	6.7	1.1	5	1.6
1955	9.0	3.7	2.0	8.7	2.7	1.7	132	45.5	3.3	34	6.8	1.0	5	1.5
1956	9.0	3.4	2.0	8.3	3.0	1.7	135	45.7	3.3	36	6.9	1.0	5	1.5
1957	8.9	3.2	1.9	7.9	3.2	1.7	135	44.9	3.4	37	7.1	1.0	5	1.5
1958	9.5	3.7	1.9	7.4	3.5	1.8	141	46.1	3.6	40	7.4	1.0	5	1.5
1959	9.8	3.9	1.9	7.0	3.8	1.8	147	47.3	3.6	41	7.5	1.0	5	1.5
1960	10.1	3.7	1.8	6.6	4.0	1.9	151	47.3	3.6	42	7.5	1.1	6	1.5
1961	10.6	3.7	1.8	6.3	4.2	1.9	155	48.0	3.6	43	7.6	1.1	6	1.5
1962	11.5	3.9	1.8	6.1	4.5	2.0	164	50.1	3.7	44	7.7	1.1	6	1.5
1963	12.3	4.5	1.8	5.9	4.7	2.1	180	53.9	3.7	45	7.8	1.1	7	1.7
1964 6/	13.6	4.4	1.8	6.2	4.6	2.1	188	55.7	3.6	45	7.6	1.1	7	1.8
1965	13.6	4.5	1.8	6.5	4.5	2.2	194	56.5	3.4	44	7.4	1.1	7	1.8
1966	14.0	4.5	1.8	6.9	4.4	2.2	196	56.7	3.3	44	7.2	1.2	7	1.8
1967	14.0	4.6	1.8	7.2	4.2	2.3	202	57.7	3.2	43	7.0	1.2	8	1.9
1968 7/	14.7	4.7	1.8	7.3	4.2	2.3	210	59.4	3.2	43	7.0	1.2	8	1.9
1969 7/	15.0	4.8	1.8	7.4	4.2	2.3	214	60.1	3.2	44	7.0	1.2	8	1.9

1/ Consumption of most items at the processing level. Includes Alaska and Hawaii beginning 1960. Excludes quantities used in alcoholic beverages. 2/ Based on data of the Census of Manufactures. 3/ Oatmeal, ready-to-eat oat cereals and oat food products used in infant foods. 4/ Principally malt for food, but includes an allowance for pearl barley and barley used in prepared cereals. 5/ Malt equivalent. 6/ Most products have been revised from 1964 to date on basis of 1967 Census of Manufactures. 7/ Preliminary.

reasonable to consider them in total, rather than individually. The combined per capita consumption of these products was relatively stable the past 10 years, showing a slight uptrend from 10.5 to 11.5 pounds.

Consumption of prepared breakfast cereals has grown rather steadily the past 20 years. The 2.3 pounds consumed per capita in 1969 was up 50 percent from the early 1950's.

Production of starch, sugar, and sirup by the wet milling industry has made a steady growth over the last 60 years. Corn processed by the industry reached the 50-million-bushel mark in 1913, rose to above 100 million bushels by 1941, and to over 200 million in 1965. Increasing importance of corn sirup and sugar in the past 20 years has tended to overshadow the declining consumption of dry milled products, bringing a reversal in a long-term decline in the food use of corn.

In 1969, over 220 million bushels were processed by the wet milling industry. Nearly 60 percent went into food products. The major food product--corn sirup--has ranged from 14 to 15 pounds per capita in recent years, an increase of nearly 70 percent during the past 15 years. The 4.8 pounds of corn sugar consumed per person in 1969 was up 50 percent from 12 years ago. The quantity of corn processed by the industry has been understated in recent years, as 2 or 3 new plants have come into production and their operations are not included in the industry figures.

In 1969, the industry produced nearly 3.3 billion pounds of corn sirup, 2.9 billion pounds of starch, and 1.2 billion pounds of sugar (dextrose). About 94 percent of the corn sirup goes into food uses, 85 percent of the corn sugar, but only about 12 to 15 percent of the corn starch. Major food uses are for the production of bakery products, confectionery, canning and packing, frozen dairy products, and preserves. The major industrial uses are in paper, textiles, and laundry.

Oat Food Products Decline

The quantity of food products produced from oats has trended downward in the past few years as a sharp drop in oatmeal consumption has not been fully offset by rapidly expanding use of ready-to-eat cereals.

The Census reported a drop in the output of oatmeal (to-be-cooked) from 473 million pounds in 1963 to 195 million in 1967, as housewives switched to ready-to-eat breakfast foods and instant oatmeal. Ready-to-eat oat cereals increased from 203 million pounds in 1963 to 435 million in 1967. Food use also includes an allowance for oat products going into infant food, estimated at around 50 to 60 million pounds annually in recent years.

Per capita consumption of all oat food products has declined about 10 percent since 1963 to 3.2 pounds in recent years. During the 1960's oat use in producing food products has held fairly stable at 43-45 million bushels.

Consumption of Barley Food Products Expanding

Although the food use of barley is quite small, available information would indicate more barley is going into food products. Roughly 5 or 6 million bushels of barley malt are used annually for food purposes in addition to the much larger quantity going into the production of malt liquors and other alcoholic beverages. It is estimated that another 1 to 2 million bushels are used for pearl barley. In recent years, barley also has been used more extensively in production of prepared breakfast cereals. In 1967 the cereal industry reported the use of 1.6 million bushels of barley, more than double the quantity used in 1963. The combined consumption of all barley food products requires about 8 or 9 million bushels annually, with consumption of the food products estimated at 1.2 pounds per capita (principally malt).

FOODS EATEN AWAY FROM HOME

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ABSTRACT: U.S. household members reported on their food consumption for 1 day in the spring of 1965. Proportions of various food categories eaten away from home varied little among regions or by degree of urbanization but quite a bit in direct relation to family income.

These data were also used as factors to adjust average consumption of food at home by households for a week in spring 1965 for food consumed away from home. The adjusted proportion of total consumption represented by away-from-home eating was 16 percent (weighted by 1957-59 retail prices). Proportions for individual food categories eaten away from home are presented.

KEY WORDS: Food consumption, household food consumption survey, away-from-home eating.

About 14 percent of the meals and snacks eaten during a day in spring 1965 by members of U.S. housekeeping households occurred away from home. 1/ Meals eaten out were either purchased or received free as guests or at school or work. Proportions ranged from a low of 3 percent for breakfast cereals to a high of 26 percent for soft drinks and candy (table 11)

Previously little information was available on food eaten away from home. Numerous surveys on at-home food have generally included information on expenditures for food and number of meals away from home, but nothing on the amounts or kinds of foods eaten. A nationwide survey of household food consumption in 1965-66 included in spring 1965 a 1-day recall of the food intake, both at home and away, of 14,500 family members in the households surveyed. 2/

The households were a representative national sample, where at least one member had eaten 10 or more meals at home during the week preceding the interview. Such a sample underrepresents people eating a high proportion of meals out. Comparison of the age and sex composition of the individuals surveyed with July 1, 1965, Census data indicates that the survey included, on a proportionate basis--a few less men over 20 and more children from 1 through 14 years than did the general population. Proportions of women, teenagers, and infants were close to the U.S. average.

The proportion of some foods eaten away from home appear related to their association with a certain meal and the relative number of times the meal is eaten out. For example, only 7 percent of the morning meals were eaten out, compared to 23 percent of noon and 10 percent of evening meals (table 12). The foods with the lowest proportions consumed away from home were eggs, cereals, and fruits, particularly citrus fruit and juices, all predominantly breakfast foods. Items consumed away from home in the highest proportion were candy, soft drinks, and alcoholic drinks. Mixtures containing poultry, fish or meat (mainly hamburgers), ice cream, and sweet baked goods

1/ Data were tabulated as eating occasions which included ingestion of any food or beverage other than water.

2/ Preliminary results were reported in Food Intake and Nutritive Value of Diets of Men, Women, and Children in the United States, Spring 1965, ARS-62-18, Agr. Res. Service, U.S. Department of Agriculture, March 1969.

Table 11.—Proportion of food quantity consumed away from home, commodities by region, urbanization, and income, spring 1965 1/

Food 2/	North 3/			South			United States				
	Urban	Rural	Average	Urban	Rural	Average	Under $3,000	$3,000–$4,999	$5,000–$7,999	$8,000 and over	Average
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Milk, milk drinks (fluid weight)	10	10	10	14	12	13	9	11	11	13	11
Cream, ice cream	19	16	18	19	16	17	22	15	17	21	18
Cheese	10	7	9	11	11	11	6	8	6	12	9
Total (calcium equivalent)	11	11	11	14	12	13	10	11	11	14	12
Eggs	6	4	5	3	4	4	2	3	5	7	5
Beef	16	14	16	16	15	16	14	14	15	19	16
Pork, lunch meat	8	7	8	11	8	10	8	8	7	10	9
Poultry	14	12	14	11	16	14	13	6	15	18	14
Fish, shellfish	19	21	19	21	14	16	8	10	18	30	18
Mixtures	20	22	21	27	18	23	17	21	18	27	21
Total 4/	15	14	15	16	14	15	13	12	13	19	15
Bread, rolls, biscuits	12	8	10	11	7	9	6	8	11	13	10
Other baked goods	20	14	18	20	13	18	14	18	18	20	18
Cereals, pastes	2	2	2	5	3	4	3	3	3	4	3
Mixtures	12	11	12	13	16	14	12	7	13	16	12
Total (flour equivalent)	12	8	11	11	8	10	7	8	11	14	10
Citrus fruit and juices	5	2	4	6	4	5	7	4	4	5	4
Other fruit, juices, drinks	7	8	7	11	10	11	9	8	8	7	8
Total	6	6	6	9	8	9	8	6	7	6	7
Vegetables	12	11	12	15	13	14	11	13	11	15	13
Potatoes	15	11	13	15	12	14	12	11	12	17	14
Sugar	15	6	13	10	12	11	7	14	11	17	13
Jelly, jam, gelatin	12	11	12	10	16	12	8	11	12	14	12
Candy	14	27	18	35	29	30	21	21	21	27	24
Soft drinks	23	30	25	28	28	28	20	23	28	28	26
Total 5/	16	16	16	17	17	17	11	16	16	21	16
Table fats	8	5	6	5	4	5	2	3	5	8	5
Other fats, oils, salad	12	11	12	13	10	12	8	9	10	15	12
Total	10	8	9	10	8	9	7	8	9	12	9
Dry beans, peas	11	10	10	8	6	7	7	10	9	11	9
Nuts, nut butter	5	3	5	6	7	7	3	3	5	4	5
Tea	12	7	10	11	12	12	12	8	11	12	11
Coffee	16	9	14	13	8	11	8	8	14	19	13
Alcoholic drinks	21	30	23	21	12	18	31	27	16	24	22

1/ Data are based on 1-day recall of food eaten by individuals in housekeeping households, Food Intake and Nutritive Value of Diets of Men, Women, and Children in the United States, Spring 1965, ARS-62-18, Agricultural Research Service, United States Department of Agriculture, March 1969 and unpublished data. Eating away from home includes both food purchased and eaten out and that received free as guests or at work or school. Excludes packed lunches carried from home.

2/ Foods reported in form in which served—cooked for most foods, but raw for those eaten raw. Anything added before serving was included—i.e., butter on vegetables, sugar in beverages. Sandwiches made at home generally reported as separate ingredients; sandwiches obtained away from home reported as mixtures and classified according to filling.

3/ Northeast, North Central, and West.

4/ Includes lamb, veal, and game.

5/ Includes sirups, honey, molasses, and sugar content of soft drinks.

were nearly as high. These foods are probably related to the high proportion of the snacks (18 percent) and noon meals (23 percent) eaten out. 3/

Most of the other foods and beverages ranged between 10 and 15 percent eaten out, close to the 14 percent average of all meals or snacks eaten out. The proportion of specific meats for dining out varied considerably. They ranged from highs of 18 percent for fish and shellfish, 16 percent for beef, and 14 percent for poultry, to a low of 9 percent for pork and lunch meats. The low position of pork may have been influenced by bacon eaten at breakfasts at home.

Foods were reported in the form in which they were served. Most foods were cooked and included anything added before serving, such as butter, sugar, or sauces. Mixtures and soup were classified by the predominant ingredient. Sandwiches made at home were generally reported as separate ingredients; those eaten away from home were reported as mixtures and classified according to the filling.

Regional Differences

Southerners did a slightly higher percentage of their day's eating away from home than northerners, not because they ate out more, but because they ate fewer times during the day. The average number of meals and snacks per person per day were:

Eating occasions	North and West 1/	South	U.S.
At home	3.66	3.40	3.58
Away from home	.59	.58	.59
Total	4 25	3 98	4 17

1/ Northeast, North Central, West.

Southern eating out included a slightly higher proportion of noon meals (25 percent compared to 22 percent) and of snacks (20 percent compared to 18 percent) than northern eating out.

There was little difference regionally in the proportion of major categories of food consumed away from home. Minor differences occurred for milk and milk products and fruits and vegetables where away-from-home food represented a slightly higher percentage for the South than the North. The biggest difference associated with region was in the proportion of candy eaten out--30 percent for the South, 18 for the North. Northerners ate more candy, but more of it at home.

Urban-Rural Differences

Differences between city and country (farm and rural nonfarm) people varied somewhat by region. In both North and South, city dwellers ate out on more occasions than country people. Rural people in the North ate more frequently when at home than city people, so that the number of meals and snacks per day averaged about the same for the two groups. In the South, city people ate slightly more often both at home and away from home. Thus, their eating occasions outnumbered those for their rural counterparts as shown by the following average number of meals and snacks per person per day:

Eating occasions	North and West		South	
	Urban	Rural	Urban	Rural
At home	3.64	3.73	3.43	3.36
Away from home	.61	.54	.64	.51
Total	4.25	4.27	4.07	3.87

3/ Meals were assigned to times of eating as follows:
Morning meals or breakfasts: 5-10 AM and 30% of 10-12 AM
Noon meals or lunches: 30% of 10-12 AM, 12-2 PM, 40% of 2-4 PM
Evening meals: 4-8 PM, 20% of 8-10 PM
The effect of these assumptions was to divide the day into 3 meals per person. The remaining eating occasions were called snacks. This procedure, while rough, was considered valid for deriving ratios of away-from-home eating.

The proportion of meals and snacks eaten away from home was higher for the urban dwellers in both North and South as was each type of meal.

For most food categories, the proportion eaten away from home was higher for urban than for rural individuals in both the North and South. But there were a few exceptions: Total sugars and sweets did not differ by urbanization in either region; milk and milk products did not differ in the North; the proportion eaten away from home was higher among rural individuals for eggs, nuts, and tea in the South and for alcoholic drinks in the North. Within groups of foods the most notable exceptions were candy and soft drinks, a much greater percentage of which were consumed away from home by country than by city people in the North. In the South, rural people consumed much less of their candy away from home than did city dwellers.

Income

Income differences appeared to have a much greater influence than location on the proportion of foods eaten away from home. The higher the family income the greater was the proportion of eating out, in total, and at each meal of the day.

The proportion eaten out for eggs, bakery products, fats and oils, fish and shellfish, and jellies each increased progressively with income. For most of the remaining foods, persons in families with incomes over $8,000 consumed a greater proportion away from home than those with incomes under $3,000, but the relationship to income varied for intermediate income groups. Milk and milk products, meat, poultry, potatoes, and candy varied little at incomes below $8,000 but a considerably higher percentage was eaten out by persons in the top income group. The percentage of soft drinks consumed away from home increased up to the $5,000-$7,999 group and then leveled. Although they used less, the lowest income group consumed the highest proportion of alcoholic beverages away from home. For a few items--fruits and vegetables and cereals--the proportion consumed away from home appeared unrelated to income.

Some differences in eating-out patterns among income groups may have been related as much to differences in age and sex of the populations as to their ability to spend. The group with income under $3,000 included considerably fewer children and young adults and more older adults, particularly women, than those with higher incomes. Those with incomes over $8,000 included more men and more teenagers.

Use in Adjustment of Household Data

Household survey data and time-series or disappearance data from supply and utilization balance sheets throw light on different aspects of food consumption. It is useful to examine them to ascertain similarities and differences.

Food consumption in households in spring 1965 previously had been adjusted for consistency in form and for inclusion of uses in manufactured food mixtures for comparison with disappearance data at the primary distribution level. 4/

This article introduces adjustments for population not surveyed and for food eaten away from home. Further adjustments for seasonality will be made when data become available. (To the extent that use in the spring differs from the average for the year, the survey data for a week multiplied by 52 would be expected to differ from time-series.) Data from these two independent sources are mutually supporting for many commodities after careful adjustment to allow for differences in concepts and methods of reporting. However, since each set of data had its own purpose and procedures, some of the differences are not reconcilable.

4/ "U.S. Food Consumption: Annual Disappearance and Household Survey Data," National Food Situation, Nov. 1968.

Table 12.—Proportion of eating occasions away from home, by region, urbanization, and income, spring 1965 1/

Eating occasion	North 2/			South			United States				
	Urban	Rural	Average	Urban	Rural	Average	Under $3,000	$3,000–$4,999	$5,000–$7,999	$8,000 and over	Average
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
All meals or snacks 3/	14	13	14	16	13	15	10	12	14	17	14
Meals:											
Morning	8	6	7	7	6	7	4	5	8	9	7
Noon	23	19	22	27	23	25	17	19	22	29	23
Evening	11	10	10	10	8	10	8	9	10	12	10
Total	13	11	13	15	12	13	9	11	13	16	13
Snacks:											
Morning	25	23	24	31	27	25	18	19	28	31	26
Afternoon	24	21	23	24	22	23	16	23	22	27	23
Night	13	14	14	16	13	15	11	13	14	15	14
Total	18	17	18	21	19	20	14	17	18	20	18

1/ Data are based on 1-day recall of food eaten by individuals in housekeeping households, Food Intake and Nutritive Value of Diets of Men, Women, and Children in the United States, Spring 1965, ARS-62-18, Agricultural Research Service, March 1969 and unpublished data. Eating away from home includes both food purchased and eaten out and that received free as guests or at work or school. Excludes packed lunches carried from home.

2/ Northeast, North Central, and West.

3/ Hours of eating reported were divided to allow for 3 meals at appropriate times; the remainder of eating occasions was classified as snacks. An eating occasion involves ingestion of any food or beverage other than water.

Table 13.—Per capita food consumption, 1965: Comparison of annual disappearance and household food consumption survey data

Food	Disappearance data, retail weight equivalent 1/	Household food consumption survey data, spring 1965 2/			Percentage difference between survey and disappearance data	
		As published 3/	Adjusted for form 4/	Adjusted for population coverage 5/	Adjusted for form 4/	Adjusted for population coverage 5/
	Lbs.	Lbs.	Lbs.	Lbs.	Pct.	Pct.
Meat, poultry, fish	203.1	238.1	236.9	240.3	17	18
Eggs	39.8	42.5	46.9	41.8	18	5
Dairy products, excluding butter (calcium equivalent)	503.1	454.7	493.7	481.3	-2	-4
Fats and oils, including butter	50.7	42.7	50.7	47.6	0	-6
Fruits, melons, baby food	155.4	194.4	204.0	186.7	31	20
Potatoes, sweetpotatoes (fresh equivalent)	112.9	101.3	102.4	102.5	-9	-9
Vegetables, baby food, soup	206.5	183.9	191.2	188.9	-7	-9
Dry beans, peas, nuts	16.6	21.3	15.6	14.4	-6	-13
Flour, cereal, baked goods	144.0	194.8	135.9	129.1	-6	-10
Sugar, sweeteners	111.4	58.5	84.2	86.6	-24	-22
Coffee, tea, cocoa	15.1	14.7	17.1	16.9	13	12
Mixtures	—	30.8	—	—	—	—
Soft drinks, fruit ade, punch, nectar	—	96.5	—	—	—	—

1/ Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968. 2/ Household Food Consumption Survey, 1965-66, Report 1. 3/ Average quantity per 21-meal-at-home equivalent person per week in spring multiplied by 52. 4/ Form adjusted to that of time-series data; indirect uses included. 5/ Covers population surveyed and not surveyed, including food eaten both at home and away. Adjustments for seasonality will be made when data are available.

Note: Part of this table was previously published in "U.S. Food Consumption: Annual Disappearance and Household Survey Data," National Food Situation, November 1968.

The household surveys were restricted to food consumed at home by housekeeping households. Consumption by people in group quarters (about 1.5 percent of the population in 1965) and those in non-housekeeping households (about 3-4 percent of the population) was completely excluded. Also excluded was all food consumed away from home.

An adjustment was made to the household data to yield total consumption by counting each 21 meals served in the household as a person, rather than using the actual number of persons for per capita averages. Such an adjustment implicitly assumes that average consumption per meal eaten out is approximately the same as average consumption per meal eaten at home, and therefore that the proportion eaten out is the same for all foods. Table 11 shows that this assumption is not entirely valid. Therefore, adjustments have been made to the household data for item variation in away-from-home consumption rates and for the 5 percent of the population not included in the survey.

These adjustments were based on the following assumptions:

(1) Family members in the household survey consumed the same proportions of food items away from home as family members in the individual diet survey. This appears to be a valid assumption for the population covered, and is probably also valid for major food categories for which consumption occurred in identifiable forms. However, for fats and oils and for sugars, large portions of which were probably consumed by individuals as parts of other foods and therefore not identified, the proportions reported eaten away from home by individuals may not be entirely applicable to household data.

(2) Meals of nonfamily members (guests, help, boarders) in households averaged the same as family meals. In 1955 meals of nonfamily members consisted of 24 percent breakfasts, 35 percent noon meals, and 41 percent evening meals. Total household meals were somewhat more evenly divided during the day. However, since only 6 percent of the total household meals in 1965 were consumed by nonfamily members, any differences in meal pattern would cause little bias.

(3) Consumption of the institutional population was like home consumption. Since only $1\frac{1}{2}$ percent of the population was in institutions, little bias would be produced by an error in this assumption.

(4) Nonhousekeeping households consumed an average of 5 meals per person per week at home and both their at-home and away-from-home consumption resembled consumption of the surveyed population. This assumption was the most reasonable that could be made in view of the lack of data.

For eggs and fruits total food consumption per capita for 1965 derived from the spring household food consumption survey was brought much closer to averages from "disappearance" data by these adjustments than household consumption without such adjustments (table 13). However, a large gap between survey and "disappearance" data remains for fruit. For other foods, adjustments to a total population basis produced only small differences. Adjustments for seasonality will be possible when data for the remainder of 1965-66 are available. But differences due to data and methodological problems will persist.

Food Consumed Away From Home

The estimated proportions of the quantity of food consumed away from home in spring 1965 follow. Such food includes institutional consumption, plus meals purchased and eaten out or received free as guests or at work or school by surveyed households and nonhousekeeping ineligibles using the assumptions outlined above.

	Percent away from home
Meat, poultry, fish	19
Eggs	7
Dairy products, excluding butter	15
Fats and oils, including butter	12
Fruits	10
Potatoes, sweetpotatoes	17
Vegetables	16
Dry beans, peas, nuts	11
Flour, cereal, baked goods	13
Sugars, sweeteners	20
Coffee, tea, cocoa	16
Total (weighted by 1957-59 retail prices)	16

This same population ate about 17 percent of all meals and snacks away from home. The slightly lower proportion of food eaten out (16 percent of the quantity) is due to a fairly high proportion of snacks and lunches and a low proportion of evening meals. In 1965, an estimated 19 percent of total personal consumption expenditures for food consisted of food away from home. 5/ Since a given quantity of food generally costs more at a public eating place than in a grocery store, the proportion spent for eating out would be expected to be higher than the proportionate volume eaten out. In 1966 the proportion of personal consumption expenditures for food that went for eating away from home (in 1965 dollars) rose to 20 percent and remained at that level through 1968. Thus, the proportion of food expense represented by food away from home since the 1965 food consumption survey has increased, but not enough to invalidate relationships derived from the 1965 survey data.

5/ National Food Situation, August 1969. Derived from data of Department of Commerce.

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Table 14.—Wholesale food price indexes and Wholesale Prics Index, selected periods 1/
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All food 6/	Industrial commodities 7/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	105.8	105.1	105.4	86.0	125.3	121.9	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968	93.9	108.2	102.2	110.2	103.5	107.7	91.0	135.2	127.7	114.1	100.2	118.2	115.8	109.6	114.1	112.2	109.0	108.7
1969	112.9	111.0	108.5	119.5	116.4	119.4	97.7	148.6	131.9	115.7	103.5	120.2	123.6	112.9	119.8	119.0	112.7	113.0
January	122.3	112.0	104.9	112.5	106.6	110.1	92.6	145.1	130.1	113.6	101.1	119.3	119.2	110.8	116.0	115.5	110.9	110.7
February	108.1	108.7	105.0	111.6	105.3	109.8	95.1	146.0	130.2	114.5	102.9	119.3	119.2	111.1	116.3	115.0	111.4	111.1
March	110.9	112.1	106.5	115.3	101.8	110.6	96.1	147.5	130.4	115.1	103.1	119.3	119.5	111.3	116.4	115.7	112.0	111.7
April	97.3	106.8	105.6	120.4	102.7	113.8	92.7	143.3	131.4	115.4	103.3	119.3	120.2	111.4	117.3	115.4	112.1	111.9
May	80.6	126.7	110.5	129.0	110.9	121.3	98.8	146.2	132.5	115.7	103.3	119.4	122.7	111.8	119.4	119.0	112.2	112.8
June	85.9	112.9	111.2	134.2	121.3	128.5	98.4	144.3	133.0	115.6	103.3	119.7	123.0	112.4	121.4	119.9	112.2	113.2
July	117.0	103.1	110.5	130.2	126.5	128.9	100.0	151.0	133.0	116.6	102.1	119.9	122.3	112.6	122.0	120.7	112.4	113.3
August	100.5	106.7	108.9	122.1	123.5	124.8	104.1	146.9	133.0	116.8	102.1	120.1	127.2	112.6	121.5	119.9	112.8	113.4
September	122.5	103.4	108.4	118.9	124.5	123.1	100.0	150.0	133.4	116.6	102.1	120.4	127.2	113.1	121.3	120.1	113.2	113.6
October	113.8	101.3	107.9	113.4	124.0	120.3	97.1	150.2	130.7	116.0	104.7	121.2	127.7	115.0	121.6	119.8	113.8	114.0
November	139.8	125.3	111.1	112.4	123.6	119.8	97.7	157.6	131.2	116.3	106.5	121.9	127.9	116.0	121.8	123.1	114.2	114.7
December	155.8	112.4	111.7	114.1	125.8	121.4	100.2	154.5	133.9	116.4	108.0	122.0	127.1	116.1	122.6	123.3	114.6	115.1
1970																		
January	152.2	116.6	112.5	119.5	130.2	124.9	106.8	158.6	133.9	116.9	107.5	122.3	129.1	117.4	125.1	125.0	115.1	116.0
February	136.9	117.2	113.7	118.2	128.1	124.5	100.9	160.0	134.1	117.3	107.5	123.3	127.7	118.3	125.2	124.5	115.5	116.4
March	120.1	118.2	114.3	125.2	125.7	127.2	104.7	155.8	133.1	116.5	112.4	123.7	127.4	118.4	124.9	124.9	115.8	116.6
April																		
May																		
June																		
July																		
August																		
September																		
October																		
November																		
December																		
	Seasonally adjusted																	
1969																		
January	128.1	112.9	105.3	—	—	—	—	—	130.1	112.7	110.0	—	118.3	—	115.7	—	—	—
February	111.1	106.8	104.5	—	—	—	—	—	130.6	114.5	102.1	—	118.3	—	116.1	—	—	—
March	110.1	109.0	106.3	—	—	—	—	—	131.2	115.2	102.7	—	119.5	—	117.1	—	—	—
April	106.1	102.1	105.1	—	—	—	—	—	132.2	115.5	103.4	—	120.9	—	118.6	—	—	—
May	96.1	117.4	109.6	—	—	—	—	—	133.8	115.9	103.7	—	123.4	—	120.2	—	—	—
June	95.3	111.8	111.3	—	—	—	—	—	133.1	115.4	104.1	—	123.2	—	120.7	—	—	—
July	124.5	98.9	108.5	—	—	—	—	—	132.7	116.7	102.6	—	122.4	—	120.7	—	—	—
August	98.0	112.8	108.7	—	—	—	—	—	132.7	118.0	102.6	—	127.5	—	121.1	—	—	—
September	102.3	111.2	108.3	—	—	—	—	—	132.6	117.8	102.1	—	127.3	—	120.5	—	—	—
October	109.0	108.6	109.5	—	—	—	—	—	129.7	115.7	104.9	—	127.4	—	121.7	—	—	—
November	129.3	126.2	112.8	—	—	—	—	—	130.7	115.4	106.3	—	127.5	—	122.4	—	—	—
December	139.7	114.6	112.4	—	—	—	—	—	133.1	115.7	107.6	—	127.0	—	122.8	—	—	—
1970																		
January	158.0	115.3	112.7	—	—	—	—	—	134.3	116.7	107.1	—	128.6	—	125.0	—	—	—
February	136.6	114.9	113.5	—	—	—	—	—	134.8	117.3	106.8	—	127.4	—	125.2	—	—	—
March	117.3	114.8	114.0	—	—	—	—	—	134.3	116.6	111.8	—	127.5	—	125.7	—	—	—
April																		
May																		
June																		
July																		
August																		
September																		
October																		
November																		
December																		

1/ For earlier annual data, see table 106, Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, page 179, by Stephen J. Hiemstra. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal fsed, and miscellaneous processed foods in addition to items listed separatsly 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks and alcoholic beverages.

Bureau of Labor Statistics.

Table 15.--Retail food price indexes and Consumer Price Index, selected periods 1/
(1957-59=100)

Year and month	Food at home															Food away from home	All food	Consumer Price Index, less food	Consumer Price Index
	Meats			Poultry 3/	Fish	Eggs	Dairy products 4/	Fats and oils 5/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total				
	Beef and veal	Pork	Total 2/						Fresh	Processed	Total								
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	6/	84.7	79.7	81.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.7	103.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.3	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	110.4	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	106.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.0	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.8	116.3
1968	117.7	115.0	116.4	91.7	123.8	95.3	120.6	104.0	136.0	115.3	126.8	119.0	118.6	101.0	115.9	136.3	119.3	121.9	121.2
1969	129.5	125.2	126.8	96.9	130.6	112.1	124.5	104.0	138.1	116.3	128.4	122.4	125.1	103.7	121.5	144.6	125.5	128.6	127.7
January	121.1	115.7	118.6	90.8	127.0	119.8	122.7	103.5	136.4	115.3	127.0	120.5	122.7	102.3	118.3	140.3	122.0	124.9	124.1
February	121.3	116.6	119.0	92.3	127.7	116.2	122.8	103.6	132.3	115.3	124.7	120.8	123.1	102.2	118.1	140.7	121.9	125.6	124.6
March	121.4	116.4	119.1	94.2	127.7	108.5	123.0	103.9	137.2	115.8	127.6	121.2	123.8	102.5	118.5	141.3	122.4	126.8	125.6
April	125.1	117.5	121.2	95.3	128.4	109.8	122.9	103.6	137.6	115.9	127.9	121.3	124.4	102.6	119.3	142.2	123.2	127.5	126.4
May	127.9	118.8	123.4	93.3	129.5	97.4	123.6	104.1	140.9	116.3	130.0	121.6	124.7	102.7	119.8	142.8	123.7	127.9	126.8
June	134.6	126.1	129.5	97.3	129.8	92.5	124.0	104.0	142.4	116.3	130.8	122.0	125.2	103.4	121.8	143.7	125.5	128.4	127.6
July	136.8	129.0	131.7	100.4	130.6	95.6	124.4	103.7	145.0	116.4	132.3	122.6	125.3	103.3	123.0	144.8	126.7	128.8	128.2
August	135.4	130.2	131.9	101.4	131.5	114.4	125.0	103.7	141.0	116.7	130.2	122.6	125.4	103.8	123.6	145.8	127.4	129.3	128.7
September	135.0	133.7	133.1	102.0	132.2	113.8	125.5	103.7	134.9	116.9	126.8	123.0	126.0	103.7	123.6	146.7	127.5	130.0	129.3
October	132.9	132.7	132.0	98.2	133.4	114.5	125.8	104.0	130.1	116.6	124.0	123.7	126.4	104.3	122.9	148.1	127.2	130.8	129.8
November	131.5	132.0	131.1	99.1	134.0	122.3	126.3	104.8	135.4	116.8	127.0	124.1	126.6	106.1	123.8	149.0	128.1	131.4	130.5
December	130.6	133.3	131.3	97.9	135.4	140.6	127.6	105.6	144.1	117.1	132.1	124.9	127.5	107.4	125.8	149.9	129.9	131.9	131.3
1970																			
January	132.2	135.6	132.9	99.5	137.0	143.0	128.4	106.3	141.9	117.1	130.9	125.5	128.1	109.1	126.6	150.6	130.7	132.3	131.8
February	133.0	137.2	133.9	99.1	138.3	141.0	128.8	106.8	144.5	117.3	132.4	126.3	128.6	110.7	127.4	151.5	131.5	133.0	132.5
March	133.6	137.9	134.7	97.9	139.8	122.6	129.4	107.3	145.7	117.3	133.1	127.0	129.7	112.4	127.4	152.4	131.6	133.8	133.2
April																			
May																			
June																			
July																			
August																			
September																			
October																			
November																			
December																			
	Seasonally adjusted																		
1969																			
January	121.5	116.5	119.0	94.1	126.5	116.5	122.3	---	141.2	---	129.6	---	---	---	118.5	---	122.2	---	---
February	121.5	117.4	119.1	91.4	127.3	112.4	122.8	---	134.0	---	125.6	---	---	---	118.3	---	122.1	---	---
March	121.8	117.3	119.5	93.2	127.4	110.3	123.2	---	136.7	---	127.3	---	---	---	118.9	---	122.8	---	---
April	126.5	121.0	122.7	96.1	128.3	111.9	123.5	---	134.8	---	126.4	---	---	---	119.7	---	123.6	---	---
May	128.7	124.5	125.9	95.4	129.4	106.6	124.1	---	135.9	---	127.1	---	---	---	120.3	---	124.2	---	---
June	134.9	126.5	130.0	99.9	129.9	103.6	124.5	---	135.2	---	127.0	---	---	---	121.8	---	125.5	---	---
July	136.9	126.2	131.0	101.4	130.7	104.3	124.6	---	131.1	---	124.5	---	---	---	122.0	---	125.8	---	---
August	134.9	125.1	130.0	101.1	131.6	116.4	124.9	---	136.6	---	127.8	---	---	---	122.4	---	126.4	---	---
September	133.5	129.3	131.0	101.4	132.3	106.5	125.1	---	142.3	---	131.0	---	---	---	123.2	---	127.1	---	---
October	131.8	129.8	130.6	100.3	133.9	104.3	125.2	---	138.4	---	128.9	---	---	---	122.9	---	127.1	---	---
November	131.4	132.5	131.1	102.9	134.5	120.1	125.7	---	143.4	---	131.5	---	---	---	124.5	---	128.6	---	---
December	130.9	135.5	132.1	101.2	135.4	130.9	127.1	---	150.6	---	135.2	---	---	---	126.2	---	130.3	---	---
1970																			
January	132.9	136.8	133.7	103.1	136.5	138.7	128.1	---	144.1	---	132.0	---	---	---	126.7	---	130.8	---	---
February	133.5	138.4	134.6	97.7	137.9	133.5	128.9	---	146.7	---	133.5	---	---	---	127.7	---	131.8	---	---
March	134.1	139.6	135.9	94.9	139.8	123.6	129.8	---	144.8	---	132.6	---	---	---	127.9	---	132.0	---	---
April																			
May																			
June																			
July																			
August																			
September																			
October																			
November																			
December																			

1/ For earlier annual data, see table 96, Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968, page 165, by Stephen J. Hiemstra. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 4/ Includes butter. 5/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 6/ Data not collected prior to 1953.

Bureau of Labor Statistics.

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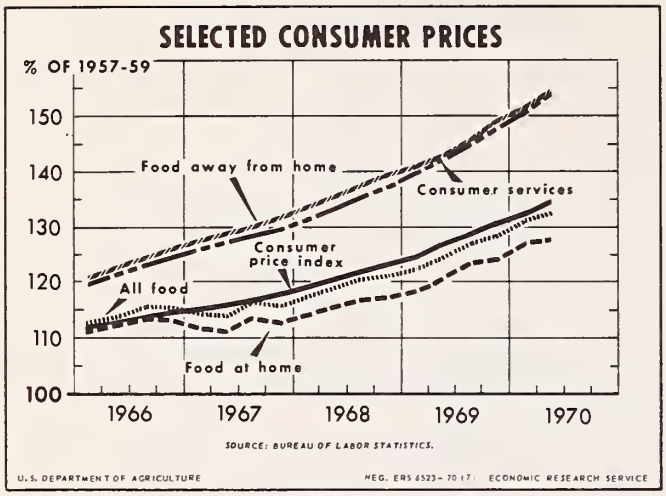
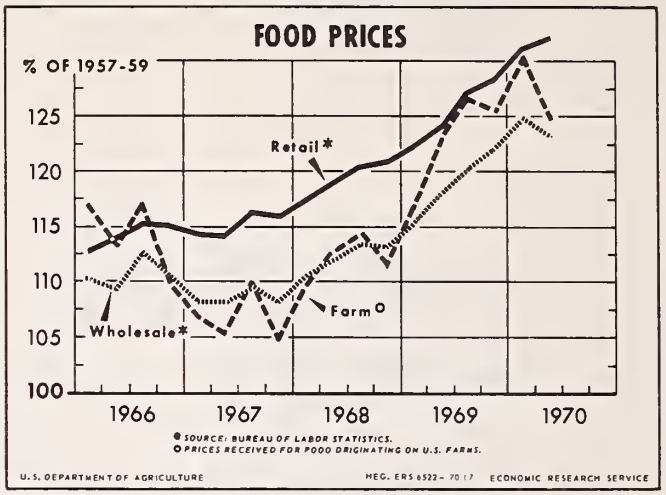


Figure 1



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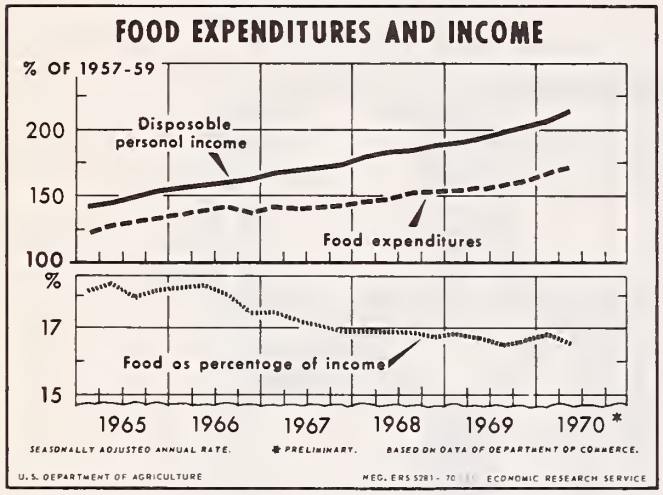

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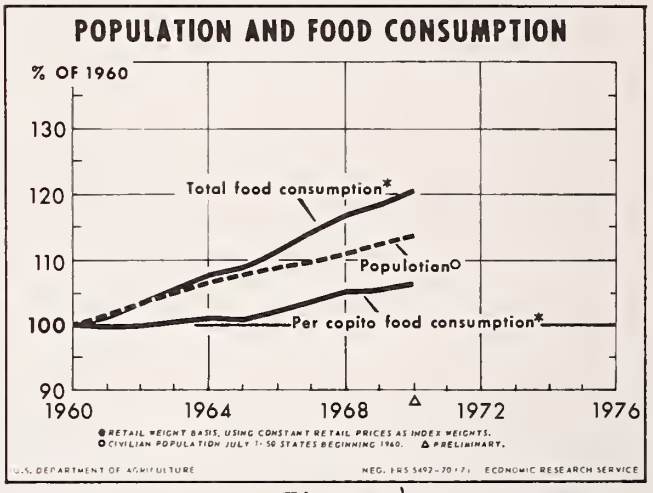

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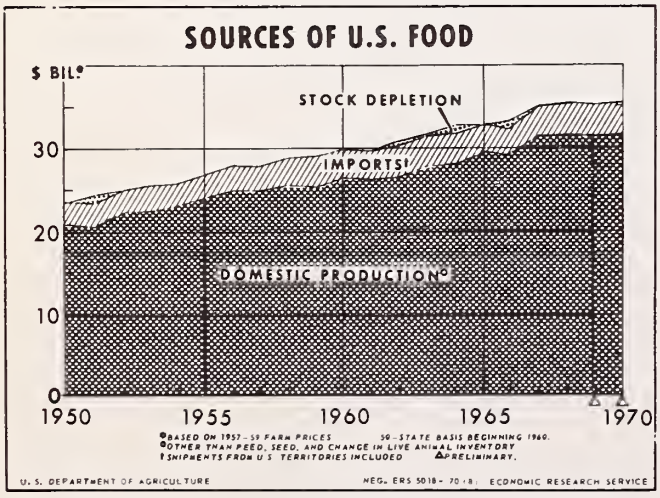

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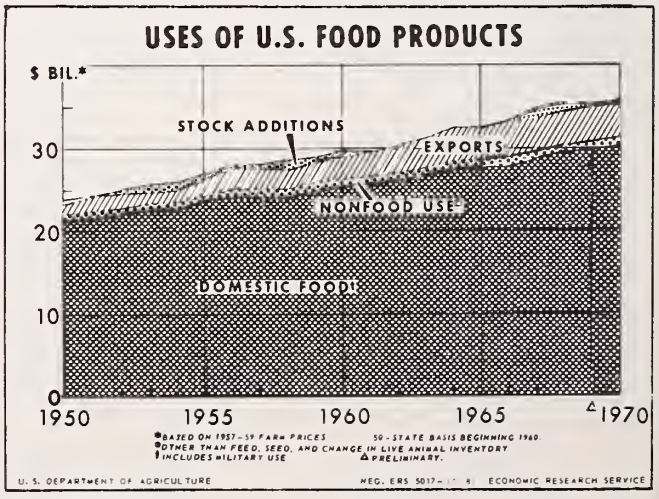

Figure 6

NATIONAL FOOD SITUATION

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Approved by
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August 5, 1970

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SUMMARY

Food prices have increased much less rapidly in recent months than they did last fall and winter. For example, in June food prices averaged 1.3 percent (seasonally adjusted annual rate) over March and 3.3 percent over last December. This was in contrast to a gain of 5.7 percent for the total Consumer Price Index. Much of the increase for food was caused by higher prices of food eaten away from home. Retail store prices of food rose fractionally.

Food prices may show a small seasonal increase this summer, but they likely will decline more than seasonally this fall if the red meat supply, especially pork, increases as expected. Seasonally large supplies of fresh fruits, vegetables, and potatoes also will contribute to lower prices later this year. For the year as a whole, the total food price index may average about 5 percent higher than in 1969, due in part to large increases between the fourth quarter last year and the first quarter this year.

Per capita consumption of food will increase some this year. Expected increases in consumption of poultry, fish, fruit, potatoes, and sugar will contribute to the rise. Meat consumption also is expected to be slightly larger. Smaller consumption is in prospect for dairy products.

Food expenditures increased 1 percent in the second quarter, the smallest advance since late 1968. However, spending was still more than 8 percent higher than in the second quarter of last year. For all of 1970, expenditures may total around $113 billion, up from $105 billion last year. Disposable income probably will increase more than expenditures, leading to a decline from 16.7 percent in 1969 (revised) to 16.5 percent this year in the proportion of income spent for food.

FOOD PRICES

Between January and June, total retail food prices rose less than half as fast as those for nonfood goods and services (fig. 1, inside cover). There was a 1.5 percent increase for food compared with a 2.9 percent increase in prices of nonfood items. Prices of all consumer goods and services went up 2.6 percent. Since 1957-59 prices of all nonfood items have increased around 36 percent, while total food prices have risen 32½ percent. Prices of food in stores rose 28 percent, and eating place prices rose 55 percent (table 13).

The retail price index for all food averaged 7.0 percent higher during January-June than during the same period last year. Retail store prices were up 6.7 percent while prices of food eaten away from home went up nearly 8 percent.

Price Rise Slowing

Food price rises have slowed markedly during 1970. From March to June, the seasonally adjusted index increased 0.3 percent compared with an increase of 1.7 percent for all items. This was a marked change from the big increases over the past year. The June food index was 5.7 percent higher than a year ago, nearly the same as the increase of 6.0 percent in the Consumer Price Index.

For food, the narrowing of increases over last year's levels is expected to continue in the remaining months of 1970. But in the second half of the year, retail food prices may average 3½ to 4 percent above those of a year earlier.

The price advance for food purchased in eating places eased some in June, the latest month for which data are available, rising less than 0.4 percent from May. In the first 5 months the increase averaged over 0.5 percent per month. For the rest of the year, prices of food away from home likely will run 7 to 7½ percent above a year earlier, down slightly from the 8 percent rate of the first half of 1970.

The second quarter rate of increase in prices of food sold in stores dropped to one-fourth the pace prevailing in the first quarter (table 1). An advance in beef and veal prices and continued sharp increases for fish in the second quarter were partially offset by reduced prices for pork and poultry. The rate of increase in prices for meat as a group declined from 1.8 percent in the first quarter to 0.7 percent in the second quarter. Advances for dairy products slowed, largely because of increasing seasonal supplies, and prices for eggs dropped over a fourth from exceedingly high levels of the first quarter.

On average, fruit and vegetable prices maintained quarterly advances of 3½ percent through the first half of 1970. While prices of processed items increased less than 1 percent, fresh items gained 5 percent each quarter. Price advances accelerated for fresh fruits in the second quarter, while for fresh vegetables they slowed, as seasonally larger supplies became available. Prices of potatoes increased more than 10 percent.

Beverage prices continued a sharp advance through the second quarter, due largely to increases for coffee. Prices of soft drinks, sugars and sweets, and cereal and bakery products continued their usual advances associated largely with increasing costs of processing and distribution.

The small increase in retail food prices which occurred in June was less than the usual seasonal increase and resulted largely from an increase for fresh fruits. Lower prices for meat, eggs, and fresh vegetables were largely offsetting.

Farm prices of domestically produced food were 0.8 percent lower in June than in May and 3 percent below the year-earlier level, while the price of marketing services rose 0.5 percent to a level more than 9 percent above a year ago.

Table 1.--Consumer, wholesale, and farm price indexes, 1969-70
(1957-59=100)

Item	1969				1970		
	II	III	IV	Year	I	II Index	II Percent change from 1969 II
Retail prices: 1/							
All goods and services (CPI)	126.9	128.7	130.5	127.7	132.5	134.6	6.1
All items less food	127.9	129.4	131.4	128.6	133.0	135.5	5.9
All food	124.1	127.2	128.4	125.5	131.3	132.4	6.7
Food at home	120.3	123.4	124.2	121.5	127.1	127.7	6.2
Food away from home	142.9	145.8	149.0	144.6	151.5	154.7	8.3
Wholesale prices: 1/							
All commodities	112.6	113.4	114.6	113.0	116.3	116.8	3.7
Industrial commodities	112.2	112.8	114.2	112.7	115.5	116.5	3.8
Farm products	109.1	109.3	110.2	108.5	113.5	111.2	1.9
Processed food	119.6	122.0	122.2	119.9	124.9	125.1	4.6
All food 2/	118.1	120.2	122.1	119.0	124.8	123.2	4.3
Prices received by farmers: 3/							
Crops	101	97	97	99	98	102	1.0
Livestock and products	124	128	130	125	134	127	2.4
Average	114	115	116	114	120	116	1.8
Market basket of U.S. farm foods: 4/							
Retail cost	118.2	121.5	122.0	119.4	124.6	124.8	5.6
Farm-retail spread	115.1	118.1	119.5	117.0	120.8	124.8	8.4
Farm value	123.0	126.8	125.8	123.0	130.5	124.8	1.5

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

Food store prices in the second quarter were 6 percent higher than in the same quarter last year. Both livestock product prices and prices for food from crops were up 6 percent, but there were wide variations among commodities. Prices of beef and dairy products were 5 percent higher; fish, pork, and other red meats were at least 10 percent higher; egg prices were 2 percent below and poultry prices 2 percent above last year's level. Prices of fresh vegetables and potatoes were up 14 percent, beverages were up 12 percent, and fats and oils were up 7 percent.

Wholesale Price Trends

Wholesale prices of food trended slightly downward from January through May before turning up a little in June (table 1 and fig. 2, inside cover). Preliminary data indicate a nearly 1 percent increase in July, some of it seasonal. For processed foods, the decline was slightly less than seasonally expected through April, but somewhat more than seasonal in May. The increase in June was less than seasonal, but the July increase was more than seasonal.

About one-quarter of the 50 percent reduction in wholesale egg prices between January and May was seasonal. Prices recovered moderately in June.

The small increase between May and June in the wholesale price of processed foods was caused largely by advances for pork and fish.

Food Price Prospects

Very little further advance in total retail food prices is expected this summer and a larger than usual decline is expected in the fall as food supplies increase. Late this fall and early next winter food prices may average only a little higher than a year earlier. However, for the year as a whole, retail food prices probably will average about 5 percent higher than in 1969. Prices of store-bought food may average $4\frac{1}{2}$ to 5 percent above 1969.

Expected price declines in the closing months of 1970 will reflect prospects for lower prices for pork and possibly beef. Hog slaughter is expected to increase sharply later this year, reflecting the big gain in the spring pig crop. Beef production is expected to show only moderate gains. But lower prices for pork may put some downward pressure on beef prices.

Prices of broiler meat may decline seasonally later this year and will be below prices in the year-earlier period. Turkey prices may hold around year-earlier levels.

Seasonally larger supplies of fresh fruits and vegetables may hold prices this fall close to year-ago levels. Processed fruit and vegetable prices have increased little so far this year and supplies continue relatively large. The continuing price trend for items such as cereal and bakery, confectionery, and soft drinks reflects increasing costs of manufacture and distribution of food. Coffee prices are expected to increase some the rest of the year because of anticipated short supplies of new crop coffee.

Retail Prices in Selected Countries

Of the more than 40 countries which report consumer price changes to the United Nations, only Kenya (Nairobi) had lower food prices in 1969 than in 1968 (table 2). Close to two-thirds of these countries had food price increases ranging from 3 to 6 percent. Only 8 countries had food price increases over 6 percent, and 7 countries had less than a 3 percent rise.

The 5 percent food price increase in the United States last year equaled or exceeded those in most European countries. Only Portugal (Lisbon) and the Netherlands reported a significantly greater rise, but increases in France and United Kingdom

Table 2.--Retail prices of food and all consumer items, selected countries, 1967-69 1/
(1963=100)

Region and country	Food				All consumer items			
	1967	1968	1969		1967	1968	1969	
			Index	Change from 1968			Index	Change from 1968
				Percent				Percent
North America								
Canada	112	116	121	4	112	117	122	4
United States	110	114	119	5	109	114	120	5
Latin America								
Argentina (Buenos Aires)	262	304	322	6	268	311	335	8
Brazil (Sao Paulo)	539	650	812	25	574	714	879	23
Chile (Santiago)	273	343	448	31	273	346	452	31
Colombia (Bogota)	158	164	181	10	158	167	184	10
Ecuador (Quito)	124	130	142	10	116	121	129	6
Honduras (Tegucigalpa)	108	112	112	0	113	115	118	3
Mexico (Mexico City)	115	118	121	3	114	116	120	3
Panama (Panama City)	106	110	112	2	104	106	108	2
Peru (Lima and Callao)	165	192	203	5	155	185	196	6
Venezuela (Caracas)	102	104	106	3	106	107	110	2
Western Europe								
Austria	117	118	122	3	116	119	123	3
Belgium	118	120	126	5	2/116	2/119	2/124	4
Denmark	126	137	144	5	2/126	2/137	2/142	4
Finland	130	144	148	3	127	138	142	3
France 3/	111	114	120	6	112	117	124	6
Germany, Federal Republic	109	108	111	3	111	113	116	3
Greece	112	112	116	3	111	111	114	2
Ireland	116	122	---	---	119	125	---	---
Italy 4/	115	115	118	3	118	119	122	3
Netherlands 5/	121	124	132	7	121	125	135	7
Norway	119	123	128	4	119	123	127	3
Portugal (Lisbon)	120	125	135	8	119	126	137	9
Spain	132	138	141	2	137	144	147	2
Sweden	122	123	127	3	180	123	126	3
United Kingdom	113	118	125	6	115	121	127	5
Eastern Europe								
Hungary (Budapest)	112	112	113	1	106	107	109	1
Poland	103	106	---	---	105	107	---	---
Yugoslavia	198	204	230	13	197	207	228	10
Africa								
Ghana (Accra)	139	157	---	---	140	154	---	---
Kenya (Nairobi) 6/	115	115	114	-1	110	111	110	0
Morocco (Casablanca)	105	106	109	3	106	106	109	3
South Africa 7/	119	121	123	2	114	116	119	3
Tunisia (Tunis)	121	124	130	5	119	122	127	4
United Arab Republic (Cairo)	145	146	---	---	131	135	---	---
Asia								
Cambodia (Phnom-Penh) 8/	93	101	111	11	105	111	118	6
Ceylon (Colombo)	109	118	124	6	106	112	120	7
China (Taiwan)	114	125	131	5	105	114	119	5
India	164	170	176	4	156	160	---	---
Israel	119	121	125	3	124	127	130	3
Japan	123	131	139	6	121	128	134	5
Thailand (Bangkok, Thonburi)	120	124	129	4	111	113	116	2
Vietnam, Republic (Saigon) 8/	363	479	584	22	279	354	432	22
Oceania								
Australia	117	120	121	1	113	116	120	3
New Zealand	119	122	128	5	117	122	128	5

1/ Derived from data in Monthly Bulletin of Statistics, June 1970, Statistical Office of the United Nations. Prices for 1966 were carried in the August 1969 issue of the National Food Situation, p. 8.
2/ Excluding rent.
3/ 1962=100.
4/ Including tobacco.
5/ All consumer items exclude compulsory social insurance and wage tax.
6/ Food includes tobacco; all consumer items excludes rent.
7/ White population.
8/ Working class.

also were larger. Following a rise of around 10 percent in 1968, Denmark and Finland had smaller boosts of 5 and 3 percent, respectively. The gain in Spain slowed from 5 percent in 1968 to 2 percent in 1969. But in most other European countries reported, food price increases accelerated.

Food prices rose nearly a fourth in Vietnam (Saigon) and a tenth in Cambodia (Phnom-Penh) last year, but only 3 percent in Israel. Other Asian countries reported increases closely in line with that in the United States, and most of the African countries reported lesser increase.

As in Vietnam, inflation in Brazil and Chile continued at a very high rate in 1969. Food prices rose 25 percent in Brazil and 31 percent in Chile. But in Argentina, where food price increases had averaged about 30 percent annually between 1963 and 1967, gains slowed to 16 percent in 1968 and 6 percent in 1969. Even so, Argentina's food prices were over 3 times higher than 6 years earlier. In comparison, Brazilian prices were 8 times higher, in Chile they were $4\frac{1}{2}$ times higher, and in Peru and Colombia they were double. Food price increases of around 10 percent in Colombia and Ecuador in 1969 were about double the pace a year earlier, but the rate of increase in Peru dropped to 5 percent from 16 percent in 1968.

There was close agreement in price changes for food and for all consumer items in most countries. Food led the price rise to a significant degree in Ecuador, Yugoslavia, Cambodia, and Thailand. But prices for nonfood items increased much faster than food in Argentina, Honduras, and Australia.

FOOD SPENDING AND INCOME

Food Spending Rises More Slowly

In the second quarter of 1970 consumer food expenditures increased 1 percent over the first quarter--the smallest advance since late in 1968. Meal purchases were 3 percent higher, while expenditures for food in stores rose only 0.7 percent above first-quarter levels. Both store-bought and eating-place food expenditures were about $8\frac{1}{2}$ percent higher than those a year earlier (table 3).

In the last half of 1970 food expenditures may average only a little higher than the $112.4 billion (seasonally adjusted annual rate) during the first half. Food expenditures for all of 1970 are now expected to total around $113 billion, 7 percent higher than in 1969. Such a total would imply a small increase in the second half of the year. Food expenditures are expected to rise less than income, so the proportion of income spent for food will likely decline from 16.7 to around 16.5 percent (fig. 3, inside cover).

Rising prices accounted for the small increase in food expenditures in the second quarter. A slowdown in increases in retail store prices was the major factor in the slower advance in expenditures for food used at home during the first half of 1970. After adjustment for price change, total at-home food expenditures through June averaged 1.6 percent larger than a year ago, more than population change. On the other hand, food purchased for consumption away from home went up only 1 percent after adjustment for prices.

Disposable Income Advances

Personal disposable income was nearly 10 percent higher in the second quarter of 1970 than a year earlier and rose nearly 3 percent during the January-March period. The second quarter rise was unusually large because of retroactive increases in social security benefits and salaries of Federal civilian and military employees. Slower but still relatively large gains are in prospect for the last half. Gains for the year may average about $8\frac{1}{2}$ percent above

Table 3.--Expenditures for food in relation to disposable income, 1960 and 1965-70 1/

Year	Disposable personal income	Personal consumption expenditures for food 2/					
		For use at home 3/		Away from home 4/		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil.dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.2	78.9	13.3	20.7	3.5	99.6	16.8
1969	631.6	83.6	13.3	21.7	3.4	105.3	16.7
I	612.0	82.0	13.4	21.0	3.4	103.0	16.8
II	623.0	82.6	13.3	21.8	3.5	104.4	16.8
III	640.6	84.1	13.1	21.7	3.4	105.8	16.5
IV	650.6	85.9	13.2	22.3	3.4	108.2	16.6
1970 5/:							
I	665.3	88.9	13.4	22.9	3.4	111.8	16.8
II	684.0	89.5	13.1	23.5	3.4	113.0	16.5

1/ Quarterly data are seasonally adjusted annual rates. 2/ Derived from data of Department of Commerce, Survey of Current Business and The National Income and Product Accounts of the United States, 1929-65, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 Census of Business, Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and nonpersonal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. 3/ Includes food consumed on farms where produced. 4/ Includes food served to the military and employees of hospitals, prisons, and food service establishments. 5/ Preliminary.

1969, a fourth larger than the gain from 1968 to 1969.

In the third quarter, income will increase less than in the second quarter. By the fourth quarter, it should show an even more moderate increase, closer to the trend of recent years.

Real income (income in current dollars adjusted for price changes) was 3½ percent higher than a year ago during the second quarter and for the year, it may average about 2½ percent higher.

Revised Information

Revised data of the U.S. Department of Commerce show an increase of nearly $2 billion from prior estimates of food expenditures for 1969 and a small upward change for 1968 and 1967. The revised figure for 1969 is $105.3 billion, up 5.7 percent from a year earlier.

This revision, combined with a relatively small upward change in the disposable income data raises the earlier estimate of the proportion of income spent

for food. The previous estimate for 1969 had been 16.5 percent; it is revised to 16.7 percent. Most of the revision occurred in spending for food at home, in the last half of the year.

U.S. Farm Foods

Expenditures for foods originating on U.S. farms totaled $95 billion in 1969, up 6 percent from a year earlier. The farm value of this food rose 10½ percent, while charges for assembling, processing, and distributing it increased 3½ percent. The farm value and marketing bill for the poultry and eggs group each showed the largest percentage increases. The farm value of meat products also increased sharply. The marketing bill for this group was unchanged, the only group that did not increase.

These expenditures (which exclude the value of fish, imported foods, and foods consumed on farms where produced) amounted to 15.1 percent of disposable personal income, only slightly lower than in 1968. The marketing share of expenditures declined from 10.3 to 10.0 percent of income in 1969, while the farm share increased from 4.9 to 5.1 percent.

Food Expenditures in Selected Countries

The proportion of private consumption expenditures going for food declined in 1967 (latest year available) in most of the 37 countries reporting such information to the United Nations (table 4). A declining share of the consumer dollar spent for food is an indication of improvement in economic well-being since it implies more money available for other goods and services. Only in Denmark, Israel, Thailand, and Venezuela (typically countries in which food price increases in 1967 exceeded those for other consumer items) were there increased shares of the budget spent for food.

The share of personal consumption expenditures going for food in the United States resumed a downward trend, following a slight increase a year earlier. It reached 19 percent in 1967--the lowest reported for any country. As compared with the three countries which also have very low proportions of the consumer dollar spent on food, the United States spends 1 cent less on food than does Canada and nearly 3 cents less than Australia and Denmark (fig. 7).

Figure 7

In 1967, a fourth of consumer expenditures went for food in Belgium, Switzerland, United Kingdom, and Sweden; around 30 percent in other Scandinavian countries, Ireland and Austria; a third in West Germany including beverages and tobacco; and nearly 40 percent in the South European countries of Greece, Italy, and Malta. Data available for 4 Latin American countries represent the same range of difference as in these West European countries. Consumers in Puerto Rico used about a fourth of their money for food; in Venezuela, 30 percent; in Jamaica, a third; and in Panama, nearly 40 percent.

Except in Israel where the share was 27 percent and in Japan which spent 37 percent (including tobacco and beverages), Asian countries for which data are available tended to spend close to 50 percent of the consumer dollar on food.

The greatest improvements between 1960 and 1967 in lowering the share of the consumer dollar going for food were made by Puerto Rico, Israel, Austria, Japan, and Finland. Canada, China (Taiwan), Germany, United Kingdom and Netherlands also made outstanding progress. About average

Table 4.--Expenditures for food as a proportion of private consumption expenditures, selected countries, 1955, 1960, and 1965-67 1/

Country	1955	1960	1965	1966	1967
	Pct.	Pct.	Pct.	Pct.	Pct.
North America					
Canada	23.1	23.0	20.8	20.6	20.0
United States 2/	22.6	21.3	19.6	19.7	19.0
Latin America					
Jamaica	3/40.6	36.5	32.8	32.8	32.8
Panama	3/42.1	40.3	41.1	39.4	37.6
Puerto Rico	33.0	29.2	24.8	24.4	23.8
Venezuela	---	---	29.2	29.0	29.5
Western Europe					
Austria	38.5	34.1	30.3	29.3	28.6
Belgium	29.1	27.5	25.6	25.3	25.2
Denmark	27.6	23.4	21.4	21.2	21.8
Finland	34.0	33.2	29.6	29.2	28.3
Germany, Federal Republic of 4/	3/40.8	37.9	34.3	33.6	33.0
Greece	45.3	41.6	39.5	39.4	38.9
Ireland	38.1	36.0	32.7	31.9	30.7
Italy	41.0	39.9	38.6	38.1	37.3
Malta	43.6	38.0	37.8	39.9	37.9
Netherlands	33.7	31.0	27.8	27.9	27.1
Norway	31.6	30.0	29.3	28.6	28.0
Sweden	29.4	27.1	25.2	24.8	24.6
Switzerland	27.2	25.4	24.5	24.6	24.2
United Kingdom 2/	31.3	28.4	25.3	25.1	24.8
Eastern Europe 5/					
Bulgaria	---	58.7	57.6	56.2	54.3
Hungary	---	38.9	36.6	37.0	36.1
Poland	---	52.3	47.7	47.6	46.6
U.S.S.R.	6/50.1	58.4	---	---	---
Yugoslavia	53.2	44.8	43.2	44.1	42.4
Africa					
Ghana	48.8	47.3	60.6	66.4	60.7
South Africa	30.5	29.5	28.4	28.7	28.0
Asia					
Ceylon	3/53.9	49.3	50.0	51.0	50.8
China (Taiwan)	53.2	52.9	48.3	47.5	46.1
Israel	34.6	32.8	26.8	26.6	27.4
Japan 4/	51.6	43.9	38.5	37.8	37.0
Korea, Republic of	55.8	51.5	55.4	52.0	49.2
Malaysia	---	45.4	45.1	45.3	---
Thailand	---	46.7	45.8	45.8	47.1
Cambodia	---	---	56.7	58.7	---
Oceania					
Australia 2/	25.5	23.7	22.2	22.1	21.6

1/ Total expenditures, defined as those of households and private nonprofit institutions, including expenditures of residents abroad. Food expenditures, excluding beverages unless otherwise indicated, include amounts purchased by nonresidents. As a proportion of disposable personal income, U.S. food expenditures in 1967 equalled 17.2 percent.

2/ Includes nonalcoholic beverages.

3/ Not strictly comparable with data for other years.

4/ Includes beverages and tobacco.

5/ Percentage of "individual consumption"; usually excludes personal and professional services and other economic activities that do not contribute directly to material production. Total expenditures usually exclude depreciation of residential buildings. For these and other reasons the estimates are not directly comparable with other data in the table.

6/ From Economic Trends in the Soviet Union, by A. Bergson and S. Kuznets, Harvard University Press, p. 361, includes beverages. This estimate is approximately comparable in concept with the U.S. estimate. It is not comparable with the U.S.S.R. estimate for 1960 (see 5/).

Based on data in United Nations, Yearbook of National Accounts Statistics, 1968.

progress was made by the United States, Jamaica, Sweden, Poland, and Australia. In Ghana, Ceylon, and Thailand food tended to take an increasing share of the consumer dollar in the 1960's.

In East European countries the available data on consumption expenditures usually exclude personal and professional services and other economic activities that do not contribute directly to material production. In most instances, depreciation of residential buildings also is excluded. Thus, with lower total consumption figures, the share going for food is not directly comparable with those in other countries. As a result, in East European countries the share ranged from 36 percent in Hungary to 54 percent in Bulgaria, considerably above most other countries.

PER CAPITA FOOD CONSUMPTION

Per capita consumption of livestock products increased nearly 2 percent in the second quarter and was up 1 percent over the same quarter of 1969 (table 5). The increase over the second quarter last year was due to a 5 percent increase for poultry, a 1½ percent increase for meat, only partly offset by a small decrease in dairy products consumption.

The outlook for consumption of animal products the rest of this year points to little change in the third quarter, with a large increase indicated for the fourth quarter if hog production turns up as expected. This will boost the average for the year 1 percent above 1969. Per capita consumption of crop products likely will be only a little larger than last year. Per capita consumption of all food will increase some this year and probably more than in 1969 (fig. 4, inside cover). Expected increases in consumption of fruit, fish, and sugar in addition to the increases for meat and poultry will contribute to the higher level (table 6). Lower consumption is in prospect for dairy products and vegetables.

Total red meat consumption in January-June averaged just over 90 pounds per person, about the same as a year earlier, with increases for beef offsetting declines in the other red meats (table 7). Beef consumption in the first half was about 2.5 pounds per person more than a year ago as larger production and imports more than kept up with population growth. Domestic beef output during January-June was up 4 percent and imports were about a fifth larger. Beef production in the second half is expected to run somewhat larger than in July-December 1969. Veal consumption was down another 6 percent in the first half of 1970. A further decline is likely in the second half.

Consumption of lamb and mutton during January-June 1970 was about the same as last year. Production was as large as a year earlier despite a smaller lamb crop. However, consumption for the year will likely continue the downward trend of recent years.

Pork consumption per person was down 6 percent during January-June, with most of the drop occurring in the winter. Pork consumption this summer is expected to run a little above a year earlier. A sharp increase is in prospect this fall. Hog producers stepped up the spring pig crop 12 percent this year, with the bulk of the expansion in March-May. The increase in the second half will just about balance the lower level in the first half, so consumption for the year may average close to 1969's total of 65 pounds.

Broiler meat production in the first half of the year was up 13 percent over last year. It will continue higher in the second half but by a smaller margin. For the year, consumption of poultry meat will be up another 2.5 pounds, the largest increase since 1966.

Egg consumption in 1970 likely will average close to 1969 levels. There was a slight increase in production during

Table 5 --Livestock products: Per capita civilian consumption indexes, quarterly, 1966-70 1/
(1957-59=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products		Animal fats, including butter	Total livestock products 2/
					Excluding butter	Including butter		
1966	I	101.9	103.2	88.4	98.7	96.9	80.1	98.8
	II	104.2	120.0	85.8	98.4	95.8	71.7	100.5
	III	106.9	139.4	86.7	97.3	93.9	70.1	102.9
	IV	110.3	159.7	91.5	94.4	92.5	77.0	105.9
1967	I	110.7	110.3	90.9	95.1	93.2	77.8	102.4
	II	108.6	128.3	88.3	98.4	95.4	70.3	103.4
	III	110.2	143.2	90.0	94.8	92.0	73.0	104.3
	IV	111.0	164.0	93.9	92.4	90.7	79.4	106.2
1968	I	112.6	115.4	93.1	93.1	91.3	79.7	103.2
	II	109.9	124.8	88.6	99.4	96.7	74.6	104.3
	III	113.6	140.1	87.7	97.4	94.4	73.0	106.3
	IV	116.7	159.5	90.4	94.7	92.8	80.7	109.0
1969 3/	I	113.3	116.5	90.1	92.8	91.0	75.8	103.1
	II	109.6	132.0	87.8	97.4	94.4	66.4	103.6
	III	112.9	146.3	87.7	95.8	92.9	71.0	105.9
	IV	114.5	170.4	90.0	93.9	91.6	72.7	108.2
1970 3/	I	111.8	129.1	89.1	91.7	89.2	69.1	102.7
	II	111.4	138.5	87.8	96.8	93.4	63.0	104.6

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.
2/ Excludes fish and honey.
3/ Preliminary.

Table 6.--Food consumption per capita, 1960-70 1/
(1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	102	102	98	94	98	92	106	99	97	102	99
1961	101	112	102	92	97	94	103	99	93	99	96
1962	102	110	101	92	97	93	107	100	89	103	95
1963	105	112	102	89	97	89	112	101	80	94	87
1964	108	114	99	89	97	87	119	103	85	91	88
1965	104	122	103	88	96	83	121	102	87	96	92
1966	106	131	102	88	95	75	134	105	87	97	92
1967	110	136	102	91	93	75	131	104	87	107	97
1968	113	135	104	90	94	77	137	107	85	104	94
1969	113	141	105	89	93	71	145	109	86	110	97
1970 4/	114	148	107	89	91	67	151	110	87	114	100

	Vegetables 5/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 6/	Total
1960	100	103	101	94	131	100	102	101	99.6	101.5	100.5
1961	98	104	99	92	137	99	102	102	99.7	100.7	100.1
1962	95	109	99	88	150	98	103	103	100.1	100.8	100.4
1963	94	109	99	90	160	97	103	106	101.3	100.2	100.8
1964	93	111	98	82	178	98	103	103	102.8	100.7	101.8
1965	93	116	99	77	202	98	103	100	100.9	102.0	101.4
1966	91	118	99	77	229	96	104	100	102.1	103.0	102.5
1967	93	122	102	73	234	97	104	101	104.1	104.5	104.3
1968	92	126	102	73	247	98	107	101	105.7	105.6	105.6
1969	92	127	102	73	257	98	108	97	105.2	106.7	105.9
1970 4/	91	125	101	70	262	98	110	96	106.1	107.3	106.6

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in table 2, National Food Situation, NFS-124 (May 1968), p. 2, and in table 1, Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.
2/ Includes butter.
3/ Excludes melons and baby food.
4/ Preliminary.
5/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes.
6/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 7.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1965-70 1/

Commodity	Average 1957-59	1965	1966	1967	1968	1969	1970 indications as percentages of 1969
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Pct.
Meats (carcass weight)	156.6	166.7	170.5	177.8	182.7	182.0	102
Beef	82.1	99.3	104.0	106.2	109.4	110.5	103
Veal	7.1	5.2	4.5	3.8	3.6	3.3	91
Lamb and mutton	4.4	3.7	4.0	3.9	3.7	3.4	97
Pork (excluding lard)	63.0	58.5	58.0	63.9	66.0	64.8	100
Fish (edible weight)	10.5	10.9	10.8	10.8	11.0	11.1	102
Poultry products:							
Eggs (farm basis)--Number	356	314	313	323	320	316	100
Chicken (ready-to-cook)	27.5	33.3	36.0	37.1	37.4	39.0	107
Turkey (ready-to-cook)	6.0	7.5	7.8	8.6	7.9	8.4	96
Dairy products:							
Cheese	7.9	9.5	9.7	10.1	10.6	10.9	103
Condensed and evaporated milk	14.8	10.6	9.7	9.0	8.9	8.0	96
Fluid milk and cream (milk equivalent)	337	301	296	285	279	271	97
Ice cream (product weight)	18.4	18.5	18.1	17.8	18.3	18.1	100
Fats and oils--Total, fat content	45.3	47.7	49.6	49.2	51.0	51.8	102
Butter (actual weight)	8.2	6.4	5.7	5.5	5.6	5.4	93
Margarine (actual weight)	8.9	9.9	10.5	10.5	10.8	10.8	101
Lard	9.3	6.4	5.5	5.4	5.6	5.1	96
Shortening	11.4	14.0	15.9	15.9	16.2	17.0	105
Other edible fats and oils	10.8	14.1	15.1	15.1	16.0	16.7	104
Fruits:							
Fresh	95.5	80.9	81.2	80.7	78.0	79.1	101
Citrus	34.0	29.0	29.0	31.5	26.2	28.5	99
Apples (commercial)	21.0	16.3	15.9	16.1	15.6	15.0	110
Other (excluding melons)	40.5	35.6	36.3	33.1	36.2	35.6	99
Processed:							
Canned fruit	22.4	23.4	22.8	22.5	22.6	24.4	102
Canned juice	13.5	10.8	11.6	11.7	12.2	14.6	102
Frozen (including juices)	8.6	8.5	8.1	10.1	9.3	9.3	106
Dried	3.3	3.0	3.0	2.8	2.8	2.6	108
Vegetables:							
Fresh 2/	104.1	98.4	95.8	97.8	97.8	97.9	98
Canned, excluding potatoes and sweetpotatoes	43.3	46.8	47.4	48.8	50.2	51.1	98
Frozen, excluding potatoes	6.6	8.1	8.8	9.0	9.6	9.1	100
Potatoes, fresh equivalent	106.9	107.5	113.3	111.1	115.4	118.2	100
Sweetpotatoes, fresh equivalent	8.3	6.2	6.3	5.8	5.7	6.0	93
Grains:							
Cornmeal and flour	7.4	6.5	6.9	7.2	7.3	7.4	100
Corn sirup	9.4	13.6	14.0	14.0	14.7	15.0	101
Corn sugar	3.6	4.5	4.5	4.6	4.7	4.8	100
Wheat flour 3/	120	113	111	112	112	112	99
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.6	7.3	7.5	7.8	8.3	100
Other:							
Coffee (green beans)	15.7	14.8	14.5	14.8	14.8	14.1	99
Tea	.58	.68	.69	.69	.72	.73	101
Cocoa beans	3.5	4.0	4.2	4.2	4.3	3.9	97
Peanuts (shelled)	4.6	5.6	5.5	5.7	5.8	5.9	---
Dry edible beans	7.7	6.6	6.3	6.9	6.3	6.8	99
Melons	25.1	23.6	21.9	22.3	22.3	23.1	93
Sugar (refined)	96.1	96.4	97.4	97.1	99.8	99.9	102
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Civilian population 4/	171.5	191.9	193.8	195.7	197.6	199.7	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

the first half and larger gains in the second half are expected. Some of the production is being diverted to replenish stocks which were largely depleted during the shortage last year. In addition, a larger proportion of eggs will be used for hatching purposes this year.

Per capita use of dairy products was nearly the same as in the first half of last year as stock buildups offset larger production and imports. Sales of fluid milk and cream items were down slightly during January-May, but this decline was offset by a rise in the commercial disappearance of manufactured products. Cheese sales registered the largest gains. Nonfat dry milk and frozen dairy desserts were up slightly. Butter sales were down about 2 percent and canned milk was off 10 percent. In the second half per capita civilian consumption probably will continue to run lower than a year ago.

Supplies of Fishery Products Increase 1/

Total supplies of edible fish during January-June 1970 were up an estimated 6 percent from the first half of 1969. Supplies were boosted by a 14 percent rise in imports over a year ago, as well as an increase of about 4 percent in the domestic catch.

Fish landings in the New England area were fractionally below a year ago for the first 6 months. American fishermen caught only about half as much haddock as a year ago. But there were gains in flounder, ocean perch, pollock, and whiting. Among the other major fisheries, the domestic shrimp industry is well on its way toward establishing new record production with shrimp catches running 13 percent above last year. Pacific halibut landings probably will be a little below last year, and tuna likely will be about the same.

Imports of major edible fishery products are running considerably above last year. Imports of fillets are up 25 percent, paced by sharp increases for cod, flounder, and haddock. The only substantial drop has been in imports of ocean perch fillets. Receipts of raw materials for fish sticks and portions are up 15 percent. Imports of sardines are about a tenth above last year.

Receipts of foreign lobsters are off this year, but imports of shrimp are running 17 percent heavier than a year ago.

Current inventories of frozen fish and shellfish are 11 percent higher than last year. Inventories of frozen fillets are up a third with substantially larger stocks of cod and flounder fillets. Frozen haddock fillets are up slightly while stocks of ocean perch fillets are down a little.

Cold storage holdings of shellfish are up 11 percent over 1969 because of larger shrimp stocks. Most other shellfish are slightly below year-ago levels.

Demand for fishery products was strong in the first half of 1970, continuing the trends of 1968 and 1969. Movement of most products is good; fish prices are averaging 8 to 9 percent above a year ago.

1/ Prepared by Donald R. Whitaker, Current Economic Analysis Division, Bureau of Commercial Fisheries, U.S. Department of the Interior.

Supplies of most fishery products will increase seasonally for the remainder of the summer and are expected to be ample for trade needs. But price levels will generally continue higher than last year.

A bumper crop of Alaska salmon will ensure plentiful supplies of frozen and canned salmon for the current marketing year. Supplies of most species of frozen fillets are higher than last year, and production of the popular fish sticks and fish portions is running well above year-ago levels. Supplies of most shellfish will be adequate with shrimp expected to be plentiful for the remainder of the year.

Crop Product Consumption to Increase Slightly

During calendar 1970, the per capita consumption of edible fats and oils is expected to total around 53.0 pounds, compared with 51.8 pounds in 1969. The increase is due to significant gains in shortening and salad oil use, with smaller gains in margarine. Edible use of peanuts is estimated at 5.9 pounds per person, up slightly.

The fruit consumption index probably will be up from 1969. Most of this increase will be in the processed group which may go up about 4 percent to a new record.

This year's per capita consumption of processed vegetables is expected to decline some from last year's high level and more in line with the long-term growth of the past decade. Because of the large inventories at the beginning of this season, packers contracted for less acreage this year. As a result, total production probably will be off moderately from the 1969 totals. However, the heavy carry-ins will counterbalance the reduction to some extent so that total supplies will be near the more normal levels attained two years ago.

Summer vegetable production is estimated to be slightly more than a year earlier. Melons are up 4 percent. For most major vegetables, changes in production from a year earlier are not large. There will be slightly to moderately larger supplies of sweet corn, snap beans, tomatoes, and lettuce, but less cabbage, celery, and early summer onions. A larger than usual summer carrot crop is forecast, a third above the short crop of a year ago.

Supplies of early summer potatoes are estimated to be a tenth under those of a year ago. Late summer potatoes may be about the same as in 1969. Indicated potato acreage for fall harvest is 3 percent larger than 1969, and 7 percent above 1968. Practically all the increase this year is coming from Washington, Oregon, and Idaho. The 8 Central States also expect to harvest a slightly larger acreage, but the Eastern States 1 percent less. A materially smaller crop of sweetpotatoes is expected this year, as both acreage and yield are below last year.

Per capita consumption in 1970 for food products derived from wheat, rice, and rye should continue at around the 1969 levels. During that year, consumption of both wheat and rye slipped slightly while consumption of rice went up about 6½ percent. Food use of corn, oats, and barley probably will average close to 1969 levels.

Sugar deliveries for the first 7 months this year were up 5.3 percent over the same period last year. Annual per capita consumption of refined sugar appears likely to increase moderately over last year's level. If this anticipated higher level is fulfilled, it will be the highest disappearance level in the past three or four decades. Part of this prospective increase is due to the restriction on cyclamate use. The rest is the continuation of an uptrend in recent years. Between 1966 and 1969, per capita consumption went up more than 6 percent, with use of sugar in processing industries increasing most. Beverages, cereal and bakery products, and confectionery products have accounted for the bulk of the increase so far this year.

Coffee, Chocolate and Cocoa

Per capita U.S. coffee consumption is expected to decline again from last year's

14.1-pound (green bean equivalent) level. The anticipated decline will reflect to a considerable extent the forces set in motion following the severe freeze in July 1969 in Brazil. While last year's freeze had only a negligible impact on the 1969/70 world crop (July 1969-August 1970), this year's first estimate of the 1970/71 world crop of 56 million bags is down about 13 percent from last year. Prospective Brazilian production of 10 million bags is down from 19 million bags a year ago, reflecting not only last July's freeze in the State of Parana but also a recent drought in the State of Sao Paulo. There are substantial carryover stocks available in several producing countries, particularly Brazil, which will lessen the impact of the smaller crop in Brazil.

Coffee prices at all levels have increased in recent months (fig. 8). The wholesale price advance occurred mostly in the fourth quarter of last year, though there were further modest advances in the first half of this year. Green bean prices in the second quarter this year were up 13 to 17 cents per pound over the same period last year. Colombian Manizales sold for 58.0 cents per pound in June; Brazilian Santos No. 4, for 53.8 cents, and Ambriz No. 2AA (Robusta), for 42.5 cents.

Increases in retail prices lagged about 3 to 4 months behind the rise in green bean prices. The U.S. average price of a 1-pound can of regular coffee was 91.3 cents in June, 15.4 cents above June 1969. A 1-pound bag of regular coffee increased from 63.0 to 77.4 cents. Instant coffee prices were up 10.9 cents from 93.9 cents (6-ounce jar). Retail prices will likely show additional strength this year, a further response to the current higher level of green bean prices. However, increases are expected to be somewhat less than those already posted.

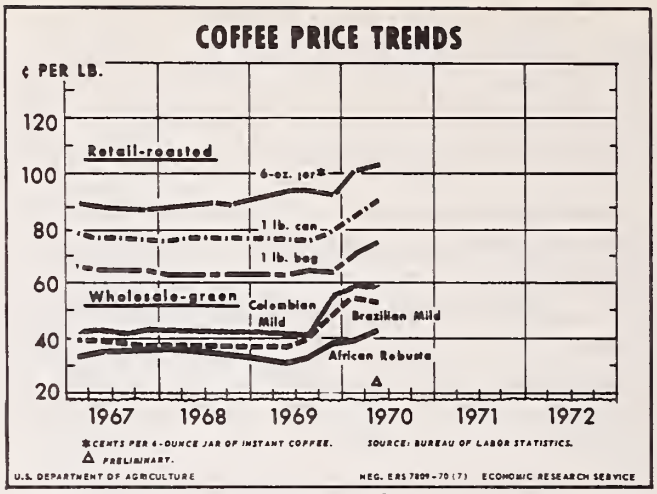

Figure 8

The outlook for cocoa and chocolate consumption has improved in recent months. Per capita cocoa consumption should total near 3.8 pounds (bean basis), approximately the same as a year ago. Cocoa prices are easing this year partly because of a 12 percent larger 1969/70 world crop. Following 4 consecutive deficit production years, production this season will exceed world consumption. Both foreign and U.S. stocks have been worked down to comparatively low levels; but a moderate stock buildup will likely occur this year.

Cocoa bean imports for the first 6 months this year totaled 322.5 million pounds, compared with 230.6 million in the first 6 months last year. Imports of cocoa and chocolate products for the same period were approximately 120.3 million pounds (bean equivalent basis) and were up about a fifth over the first 6 months of last year. The largest increase was in cocoa butter imports, totaling 18.5 million pounds, up from 13.9 million pounds in the first 6 months of last year.

FOOD SUPPLY AND UTILIZATION

Total annual net utilization of food products this year is expected to increase around 1½ percent (table 8). Net utilization of crop food commodities probably will be up a little over 1 percent, while livestock utilization likely will increase nearly 2 percent. Use of feed which is not included in net crop use, is expected to run about 4½ percent higher. Other nonfood use may be only fractionally lower than in 1969.

Farm food exports for calendar year 1970 probably will increase 5½ to 6 percent with shipments of food crops accounting for the increase. Wheat, soybeans, corn, and fruits are the leaders in the expanded export trade.

Total civilian food use is expected to increase more than 1 percent. The civilian food use of livestock commodities will likely increase about 2 percent this year, led by increases in beef and chicken. Food use is expected to change little this year for fresh fruit other than apples, fresh and canned vegetables, potatoes, and coffee. Use of wheat, rice, and corn products probably will increase about 1 percent, about the same as population. Food use of sugar crops and vegetable oilseeds probably will increase more than population.

Prospective military food use is declining again this year. Total military use accounted for 1.7 percent of the total utilization of all food commodities in the United States last year, down from 2.1 percent in 1968. This share appears likely to decline again fractionally in 1970.

Total utilization equals the summation of production, imports and stock change (fig. 5 inside cover). It is also equal to domestic food use, nonfood use, and exports. Food use accounts for almost 95 percent of the total utilization of livestock food commodities, but only about 45 percent of crop food commodities (fig. 6, inside cover). Feed use accounts for a third of total crop use, and exports take about a sixth.

Total feed use in 1970 is expected to total about 4½ percent higher than in 1969, continuing to rise above recent record levels as livestock production and rates of feeding increase. Feed use of food commodities has increased nearly 40 percent since 1957-59. Only export use has increased more.

Exports are expected to account for about 11 percent of net utilization of farm food commodities in 1970, reflecting the growing market for agricultural products overseas. This is fractionally above the share in 1969, but still below the recent peak of 13.6 percent in 1964 (table 8).

Imports of food commodities appear back on trend again in 1970 with an anticipated 5 percent increase over the 1969 level, which had been depressed because of the dock strike in early 1969. Imports of livestock food commodities and crop food products are expected to be up--about 10.6 percent and 3.6 percent respectively. Prospective imports of red meat, fruits and vegetables, sugar, coffee, tea and cocoa are all expected to increase significantly over last year's levels. Import's share of total utilization of farm food commodities will likely total around 10 percent this year.

Total production of farm food commodities is expected to be up only slightly in 1970 over last year's level. Prospective output of livestock food products may increase more than 2 percent above the 1969 level. Prospective crop output levels are up a little according to the July Crop Report.

Feed grain output may be up around 4 percent this year. Estimated corn production is expected to exceed 4.8 billion bushels. Soybean acreage is up nearly 2 percent to a record 41.6 million acres. Prospective vegetable output is expected to be down this year--

Table 8 --Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1964 to date 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic use: Food: Civilian	Utilization: Domestic use: Food: Military	Utilization: Domestic use: Nonfood: Seed and feed	Utilization: Domestic use: Nonfood: Other	Utilization: Domestic use: Total	Utilization: Exports and shipments 4/
	A.--All food commodities indexes: (1957-59=100) 5/									
1964	110.9	102.6	119.5	118.0	112.1	113.3	---	104.4	111.8	181.4
1965	116.1	101.4	108.8	117.4	112.1	127.6	---	108.4	112.3	170.3
1966	114.4	109.7	110.0	120.4	114.0	136.2	---	110.2	114.3	183.4
1967	123.8	110.2	102.9	121.9	117.8	140.9	---	105.5	117.8	164.5
1968	124.1	123.0	112.2	124.5	120.7	138.0	---	107.2	120.5	165.3
1969 6/	124.4	111.7	119.8	124.9	122.7	115.7	---	110.7	122.2	153.4
1970 6/	124.8	117.5	124.0	127.0	124.2	113.7	---	110.0	123.6	162.2
	Livestock food commodities (1957-59=100)									
1964	114.4	137.9	133.6	115.6	114.4	112.8	98.5	94.5	111.8	192.1
1965	112.5	130.1	106.5	113.2	113.4	124.1	94.7	93.6	111.0	132.6
1966	114.6	172.5	88.3	115.2	116.1	132.8	100.1	87.4	113.7	104.7
1967	118.5	181.7	102.4	118.7	120.0	143.8	88.1	90.9	117.2	106.6
1968	119.2	198.9	131.9	121.2	122.6	143.5	85.1	93.6	119.6	113.3
1969 6/	119.6	207.2	114.7	121.8	123.8	120.9	87.5	93.6	120.2	110.9
1970 6/	122.2	229.1	99.2	124.1	126.5	117.5	88.5	91.2	122.6	107.7
	Crop food commodities (1957-59=100)									
1964	106.0	97.1	118.8	117.6	107.2	114.8	110.5	110.3	108.7	178.9
1965	117.5	96.7	108.9	118.7	109.4	135.9	109.2	117.4	109.9	179.1
1966	118.1	100.2	111.1	127.5	109.6	148.0	125.4	124.0	116.7	201.9
1967	128.0	99.7	102.9	123.8	113.0	130.9	119.9	114.3	115.9	178.1
1968	130.0	111.7	111.2	127.4	116.4	118.8	125.8	115.4	120.1	177.5
1969 6/	132.4	97.8	120.1	129.7	120.4	97.6	132.0	121.0	124.8	163.4
1970 6/	131.8	101.3	125.2	132.5	119.5	100.7	137.2	121.0	126.5	175.0
	B.--All food commodities: Percentage of annual utilization 5/									
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969 6/	91.2	10.2	-1.4	100.0	84.8	1.5	---	2.8	89.1	10.9
1970 6/	90.0	10.6	-.6	100.0	84.5	1.4	---	2.8	88.7	11.3
	Livestock food commodities: Percentage of annual utilization									
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969 6/	96.0	3.6	.4	100.0	92.3	1.9	2.0	1.4	97.6	2.4
1970 6/	96.2	3.9	-.1	100.0	92.5	1.8	2.0	1.4	97.7	2.3
	Crop food commodities: Percentage of annual utilization									
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969 6/	89.3	13.6	-2.9	100.0	45.4	.5	34.7	3.3	83.9	16.1
1970 6/	87.0	13.8	-.8	100.0	44.0	.5	35.4	3.3	83.2	16.8

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities and comparable data for 1950-63, see National Food Situation, NFS-124 (May 1968), pp. 15-17. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary.

particularly those grown for processing which may be down around 7 percent. Fresh vegetable production for the year also appears likely to be down from 1969 levels. Production of most noncitrus fruits is expected to be down from last year, led by anticipated declines for peaches, pears and grapes.

Total utilization of all commodities for 1970 likely will be about in balance with total production, so total stock levels likely will change little. In 1969 stocks increased 3½ percent.

Foreign Trade of Agricultural Products

The value of agricultural products represented 16 percent of the total value of commodities exported in 1969, as compared to 18 percent in 1968 (table 9). There was a 5 percent decline in the value of agricultural exports from 1968 to 1969 coupled with a 14 percent increase in the value of nonagricultural exports.

During the first half of 1970, agricultural exports were running at an annual rate of $6.7 billion, about 27 percent above the first half of 1969, but only 7 percent above the more nearly normal period in 1968. The dock strike on the East and Gulf Coasts had adversely affected January and February 1969 exports.

The value of agricultural imports represented 14 percent of total commodity imports in 1969, down slightly from 15 percent in 1968. Although the value of agricultural imports declined slightly from 1968 to 1969, the value of nonagricultural imports increased 10 percent.

Since 1967 when food exports and imports were about equal, the United States has imported more foods than it has exported. The margin of imports over exports increased slightly in 1969, with net food imports rising to $587 million from the $532 million recorded in 1968. However, trade for nonfood animal products remained in balance and for nonfood crop products continued favorable on a 3 to 1 ratio. Thus, the value of all exported agricultural products exceeded imports by $1.0 billion or 20 percent in 1969 and by $1.2 billion or 24 percent in 1968, though low compared with an average of over 40 percent in the earlier years of the 1960's.

Food Imports in 1969.--The value of agricultural food imports declined about 2 percent in 1969 from the record high of $4 billion a year earlier. A $227 million reduction for coffee accounted for all of the 6 percent decrease in crop product imports. Increased imports of cocoa products and vegetables and reductions for edible vegetable oils, tree nuts and tea were about offsetting.

Complementary agricultural imports--those not competing directly with domestic products--declined to $1,855 million in 1969, 7 percent lower than in 1968. Food items in this group declined much more, largely reflecting the decrease in coffee as follows:

	1968 Mil.dol.	1969 Mil.dol.	Pct. change
Food:			
Coffee	1,165	938	-19
Cocoa products	171	204	19
Tea	61	53	-13
Bananas	187	185	-1
Other	46	49	7
Total	1,630	1,429	-12
Nonfood	356	426	20
Total complementary	1,986	1,855	-7

Imports of supplementary foods--items which compete with commercial production in the United States--increased 5 percent; beef and veal (largely due to higher unit prices) were the major cause as shown in the following tabulation:

Table 9.--Value of exports and imports for consumption, calendar years, 1968 and 1969 1/

Item	Exports			Imports		
	1968	1969 2/	Change	1968	1969 2/	Change
	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.	Pct.
Food:						
Animal products:						
Dairy products	144	133	-8	101	101	---
Beef and veal 3/	20	22	10	486	569	17
Pork 3/	32	62	94	216	239	11
Poultry meat	44	43	-2	1	1	---
Lard and other fats	28	39	39	---	---	---
Total 4/	347	387	12	875	998	14
Crop products:						
Bananas	---	---	---	187	185	-1
Other fruits	277	326	18	181	182	1
Tree nuts	38	51	34	110	96	-13
Vegetables and preparations	173	181	5	178	201	13
Vegetable oils	133	157	18	106	82	-23
Soybeans	810	822	1	---	---	---
Rice	348	348	---	1	1	---
Wheat and flour	1,100	830	-25	---	1	---
Coffee	21	24	14	1,165	938	-19
Cocoa	3	3	---	185	217	17
Tea	1	1	---	61	53	-13
Sugar and related products 5/	51	51	---	649	647	---
Wines and malt liquors	2	3	50	127	145	14
Total 4/	3,121	2,949	-6	3,125	2,925	-6
All food	3,468	3,336	-4	4,000	3,923	-2
Nonfood:						
Animal products	329	373	13	415	370	-11
Crop products	2,431	2,227	-8	609	665	9
All nonfood	2,760	2,600	-6	1,024	1,035	1
All agricultural	6,228	5,936	-5	5,024	4,958	-1
Complementary imports	---	---	---	1,986	1,855	-7
Supplementary imports	---	---	---	3,038	3,103	2
Nonagricultural	27,971	31,508	13	28,042	30,912	10
Total, all commodities	34,199	37,444	9	33,066	35,870	8

1/ Compiled from U.S. Foreign Agricultural Trade by Commodities, Calendar Year 1969. Food use of items such as oils, oilseeds, and grains is approximated. 2/ Preliminary. 3/ Excludes meat mixtures and edible offals. For this reason, exports are understated. 4/ Includes miscellaneous items in addition to those enumerated above. 5/ Includes flavoring sirups.

Table 10.--Estimated use of selected agricultural commodities in the manufacture of alcoholic beverages, 1960-68 1/

Calendar year	Corn		Rye		Barley 2/		Wheat	
	Use	Percentage of total domestic use	Use	Percentage of total domestic use	Use	Percentage of total domestic use	Use	Percentage of total domestic use
	Mil. bu.	Pct.	Mil. bu.	Pct.	Mil. bu.	Pct.	Mil. bu.	Pct.
1960	47	1.4	6	24.0	86	24.4	3/	3/
1961	58	1.7	5	19.2	86	23.3	1	0.1
1962	52	1.5	4	19.0	86	26.1	1	.1
1963	49	1.4	4	16.7	89	24.5	1	.1
1964	51	1.5	4	18.2	93	26.5	1	.1
1965	51	1.5	4	16.0	95	28.4	1	.1
1966	53	1.4	5	19.2	100	29.2	1	.1
1967	59	1.6	5	22.7	104	31.1	1	.1
1968	58	1.5	5	19.2	108	31.3	1	.1

	Sorghum grains		Rice		Hops		Fruit 5/	
	Use	Percentage of total domestic use	Use 4/	Percentage of total domestic use	Use	Percentage of total domestic use	Use	Percentage of total domestic use
	Mil. bu.	Pct.	Mil. lb.	Pct.	Mil. lb.	Pct.	Mil. lb.	Pct.
1960	5	1.4	491	20.8	30	100.0	6,919	16.3
1961	2	.5	484	20.6	30	100.0	6,979	16.6
1962	1	.2	459	17.3	30	100.0	8,028	18.9
1963	3	.7	381	15.9	31	100.0	9,653	21.7
1964	3	.7	406	16.4	31	100.0	7,943	19.2
1965	3	.6	444	16.3	31	100.0	9,930	21.6
1966	3	.5	493	16.8	31	100.0	8,255	18.5
1967	3	.5	539	18.3	30	100.0	7,515	16.1
1968	4	.7	564	18.4	30	100.0	7,707	17.1

1/ Data on alcoholic beverages derived from Alcohol and Tobacco Summary Statistics. Internal Revenue Service. Includes commodities used in the manufacture of distilled spirits, fermented malt liquors, and still wines.
2/ Includes barley equivalent of malt.
3/ Negligible.
4/ Converted to rough rice equivalent.
5/ Includes fruit, juices, and concentrates in still wine; fruit and fruit products in distilled spirits.

	1968 Mil.dol.	1969 Mil.dol.	Pct. change
Food:			
Sugar	649	647	--
Beef and veal	486	569	17
Pork	216	239	11
Vegetables	178	201	13
Fruits	181	182	1
Tree nuts	110	96	-13
Vegetable oils	87	106	23
Other supplementary	463	454	-2
Total	2,370	2,494	5
Nonfood	668	609	-9
Total supplementary	3,038	3,103	2

Food Exports in 1969.--In 1969 agricultural commodity exports declined $0.3 billion or 5 percent, to just under $6 billion--the lowest level since 1963. Part of this decrease was related to reduced levels caused by the strike in early 1969. Food exports accounted for nearly half of this decline.

A 25 percent drop in wheat and flour exports outweighed substantial increases for fruits, fats and oils and pork and lesser advances for tree nuts, soybeans and vegetables. The value of wheat and flour exported was the lowest since 1959. At the same time, it was the highest of record for fruits, vegetables, tree nuts, and soybeans.

Products Used in Alcoholic Beverages

The alcoholic beverages industry continued as an important user of crop products in 1968 (table 10). Total utilization by this industry accounts for 2.5 percent of total crop use (table 11). All of the 30 million pounds of hops produced goes into the production of alcoholic beverages. Barley, rye, rice and fruit producers also are heavily dependent on the beverage industry as a market for their products. The use of barley increased 4 percent in 1968, continuing a trend which has been evident since 1963. The percentage of use also has been rising as this increased use offsets declines in the use of barley for other purposes. Alcohol is also a growing market for rice, though food uses and exports are also increasing in importance. Use of fruit (mostly grapes) in alcoholic beverages increased in 1968, halting a 2-year decline from the record use of nearly 10 million pounds in 1965. For other commodities, the 1968 utilization was about the same as in 1967.

Table 11.--Crops used for alcoholic beverages as a percentage of total domestic use of crop products, 1960-68 1/

Calendar year	Total domestic use of crop products	Used for alcoholic beverages	
		Total	Percentage of total use
	Mil. dol.	Mil. dol.	Pct.
1960	19,190	471	2.5
1961	19,909	481	2.4
1962	20,007	515	2.6
1963	20,002	580	2.9
1964	20,149	519	2.6
1965	20,282	608	3.0
1966	21,431	549	2.6
1967	21,109	528	2.5
1968	21,725	543	2.5

1/ Data on alcoholic beverages derived from Alcohol and Tobacco Summary Statistics, IRS. Quantities valued at 1957-59 farm prices.

FOOD IN THE 1960'S: EXPENDITURES, PRICES, AND CONSUMPTION

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ABSTRACT: Consumers spent 16.7 percent of their disposable income for food in 1969 compared with 20 percent in 1960. Prices of food increased, but not as fast as prices of other goods and services. Per capita food consumption also increased. Both prices and consumption increased modestly between 1960 and 1965. The rates of increase were much larger in the second half of the decade, reflecting increased incomes and general inflationary pressures. Price and consumption patterns among individual products varied widely from this overall pattern.
KEY WORDS: Food consumption, food prices, food expenditures.

Important changes during the 1960's in the U.S. food economy were:

Proportion of income spent for food--
Down from 20 to less than 17 percent;
Food prices--Up 24 percent;
Per capita food consumption--Up
5½ percent.

In 1969 food expenditures as a share of disposable income averaged 16.7 percent, the lowest in history. In 1960 this percentage was about 20 percent. The decline in the percentage was fairly steady over the 10-year period. As the percentage of income required for food purchases declined, more money was left for purchases of other goods and services.

Food expenditures per person went up 33 percent between 1960 and 1969, reflecting increases in both prices and consumption. Income also went up, but at a faster rate than food expenditures. The divergence between food expenditures and income was the continuation of a trend which had commenced in the middle 1950's. There was a brief interruption of this pattern in 1965-66 when increases in food expenditures nearly equalled increases in income.

Food price increases accounted for much of the increase in food expenditures. Practically none of the decrease in the percentage of income going for food was due to differentials in price increases for food and other goods and services as prices in both categories rose by about the same amount.

Food consumption per person also increased and contributed to the rise in expenditures.

Food Prices

Historically, prices of food have increased along with prices of other commodities, though food prices tend to show more and sharper changes in response to temporary supply conditions. Several times since 1946, large increases in food prices have preceded or coincided with general increases in retail prices of other commodities.

Food price behavior in the last decade like that for many other groups fell into two separate periods, 1960-64 and 1965-69. During the first part, prices of food at home increased about 1 percent a year. Starting in 1965 and continuing through 1969, the increases averaged nearly 3.5 percent, including a 5 percent increase in 1966 and again in 1969. The increase for the decade was 24 percent.

The Consumer Price Index followed a similar pattern with small, but steady increments during 1960-64. Thereafter, the index increased faster, rising 16 percent during 1965-69. The overall rate of increase for prices of services was substantially higher than for food, while the rate for nonfood commodities was less.

The price index of food purchases for home consumption went up a little less than the total food index. Prices of food eaten away from home, which accounted for about 20 percent of all food, went up much faster than the prices of food at home. They followed the price index for services rather closely, reflecting increasing labor and other costs which are important in most service oriented industries. Since the cost of food represents less than half of the total cost of meals, the away-from-home price index usually does not show sharp changes caused by short-term farm price changes. Thus, when farm prices increase, prices of food at home may increase faster than those for food away from home. However, when farm prices decline, retail store prices usually decline. The food-away-from home index has never declined since it was first published in 1953.

The slow increase in prices of food at home during 1960-64 reflected moderately rising processing and distribution costs which were partly offset by declining farm prices (fig. 9).

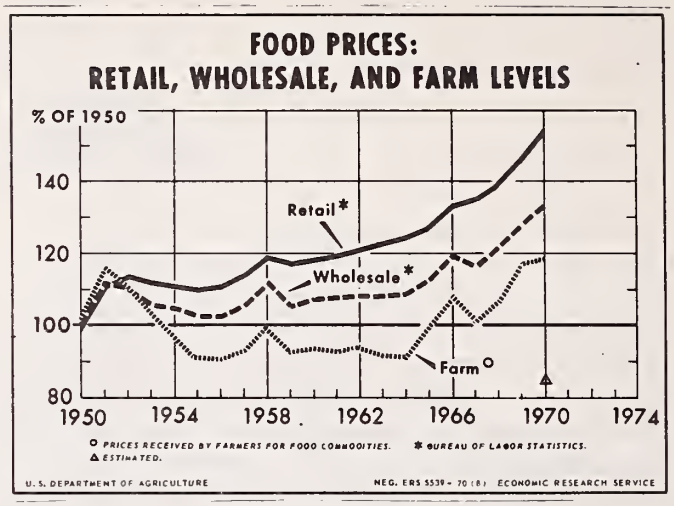

Figure 9

The decline in farm prices was concentrated among livestock products; crop prices increased slightly. The rising farm-retail spread was the result of increased costs of labor and other goods and services bought by marketing firms.

After 1964 marketing costs continued to increase, though at a slightly faster pace. Meanwhile, farm prices rose sharply. The large increase in store-bought food prices in 1966 actually started in the second quarter of 1965 and continued in the first 3 quarters of 1966. Then prices declined somewhat until mid-1967. Since that time, they have increased steadily except for a few small seasonal interruptions, at a rate of about 5 percent per year.

There was a 9 percent increase in farm food prices in both 1965 and 1966. After receding in 1967, they went up again in 1968 and 1969. Because of the relatively stable trend in marketing costs, retail prices of store-bought food rose and fell less than farm and wholesale prices.

Among individual product groups, retail prices of individual livestock products remained relatively stable for the 1960-64 period (fig. 10). However, prices of several crop products increased during that period (fig. 11). The largest increase was for fresh fruits and vegetables.

During 1965-69 prices of the crop products continued upward at about the same rates as in 1960-64. But prices of beef, pork, and dairy products also moved up sharply, increasing between 18 and 25 percent. Thus, increases in the food price index were composed of steady upward pressures from the more highly processed crop group and rather volatile movements for livestock products.

Livestock Products

Prices of beef and veal fluctuated within a relatively narrow range between 1960 and 1964. In 1965 they went up nearly 5 percent and again in 1966. After leveling off in 1967, they rose 4 percent in 1968 and 10 percent in 1969. Pork prices also showed little change during the 1960-64 period. In 1965 and 1966 they shot up a total of 21 percent before receding some in 1967. In 1969 there was an increase of 9 percent. Dairy products prices held the line pretty well through 1965, but in the next 5 years went up a total of 19 percent. This was somewhat less than the 1965-69 increases for beef and pork. Prices of poultry and eggs were below the 1960 level in most years, but the year-to-year changes for eggs were even greater than those for pork.

Crop Products

The price increase for fresh fruits and vegetables was the feature of the crop products group. These prices had been increasing for several years with brief interruptions. However, after 1961 the pace accelerated and there was not a single decline during the rest of the decade. By 1969 prices of fresh fruits and vegetables were more than 30 percent higher than in 1960.

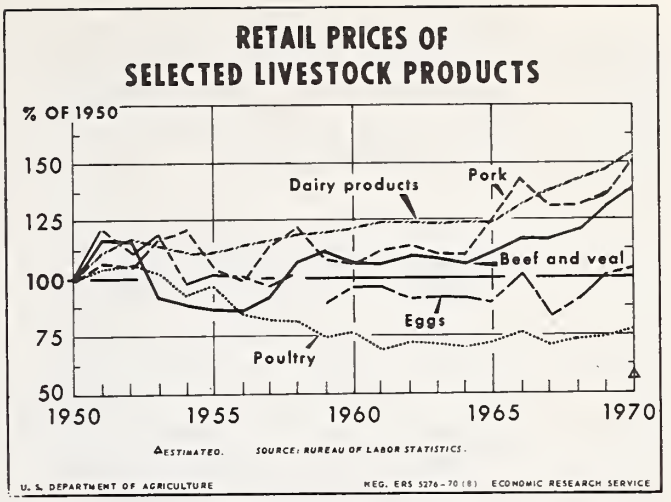

Figure 10

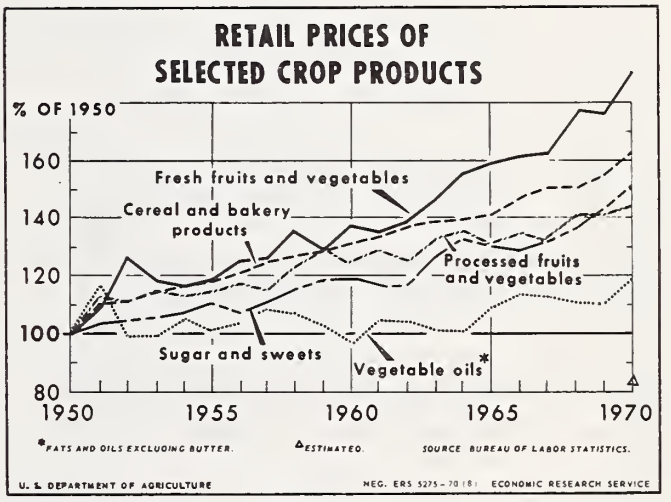

Figure 11

Prices of processed fruits and vegetables trended up with increases in some years more than offsetting decreases in others. The total increase of 15 percent was considerably less than for the fresh products.

Food Consumption

Per capita food consumption increased nearly $5\frac{1}{2}$ percent in the 1960's. However, nearly all of the increase occurred after 1965. Consumption of both animal products and crop products increased, with animal products going up about $5\frac{1}{2}$ percent and crops 5 percent (figs. 12 and 13). The increase for crops was the largest since the end of World War II. Although the animal products

increase was large, it was less than in the 1951-56 period. Both of these consumption gains were less than half the increase which took place from the late 1930's until the mid 1940's.

Within each group, consumption increased for some commodities and declined for others. In general there were shifts from lower priced to higher priced products. Total calories available also increased some, reversing a general downward trend for the preceding 20 years. Total pounds consumed were about the same in 1969 as in 1960, though there had been some declines during the decade, especially for crops.

The retail price weighted index for poultry rose 38 percent during the 1960's, the largest increase in the animal products group. Consumption was higher for both broilers and turkeys. Beef and veal consumption increased 21 percent. The increase during 1960-69 was relatively smooth compared with some of the large cycles shown in other periods since 1946. It also was one of the longest lasting. Except for a brief interruption in 1965, beef consumption has been on the upswing since 1958.

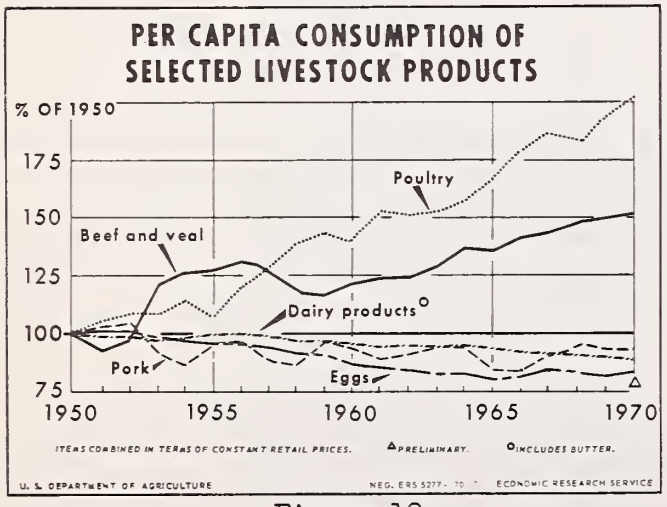

Figure 12

Other animal products did not fare as well as poultry and beef. The per capita consumption index for dairy products declined 6 percent, continuing a trend that started in the mid 1940's This decline reflected decreases in consumption of butter, fluid milk and cream and condensed milk products. Egg consumption also continued down in the 1960's, declining 6 percent, the same as dairy products. Pork consumption moved up and down through about 2 cycles. By 1969, consumption was almost identical to the 1960 level.

The patterns of consumption among food products derived from crops also showed wide variation. Processed fruits and vegetables moved down some between 1960 and 1964. But after that, consumption of these products then went up in every year and by 1969 was 17 percent higher than in 1965. Compared with 1960, the increase was 12 percent.

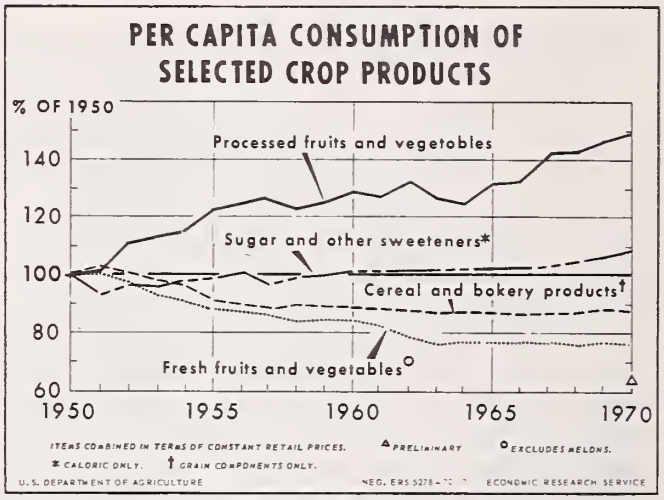

Figure 13

Fresh fruit and vegetable consumption was 10 percent lower in 1969 than in 1960, but it hardly changed after 1963, making for one of the longest periods of stability in the last 25 years. The per capita consumption index (retail price weighted) for potatoes and sweetpotatoes rose nearly 36 percent between 1960 and 1969. However, this increase reflected the continued shift from consumption of fresh, with relatively low retail price weights, to processed products, such as dried potato flakes, frozen potato products, and potato chips, with relatively high prices. Total pounds consumed on a fresh equivalent basis went up only 9 percent. This increase reversed the downtrend for most of the 1910-50 period and the relative stability of the 1950's.

Table 12.—Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All food 6/	Industrial commodities 7/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	105.8	105.1	105.4	86.0	125.3	121.9	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968 8/	93.9	108.3	102.2	110.2	103.5	107.7	91.0	135.4	127.7	114.2	100.1	118.1	116.2	109.5	114.2	112.2	109.0	108.8
1969	112.9	111.0	108.5	119.5	116.4	119.4	97.7	148.6	131.9	115.7	103.5	120.2	123.6	112.9	119.8	119.0	112.7	113.0
January	122.3	112.0	104.9	112.5	106.6	110.1	92.6	145.1	130.1	113.6	101.1	119.3	119.2	110.8	116.0	115.5	110.9	110.7
February	108.1	108.7	105.0	111.6	105.3	109.8	95.1	146.0	130.2	114.5	102.9	119.3	119.2	111.1	116.3	115.0	111.4	111.1
March	110.9	112.1	106.5	115.3	101.8	110.6	96.1	147.5	130.4	115.1	103.1	119.3	119.5	111.3	116.4	115.7	112.0	111.7
April	97.3	106.8	105.6	120.4	102.7	113.8	92.7	143.3	131.4	115.4	103.3	119.3	120.2	111.4	117.3	115.4	112.1	111.9
May	80.6	126.7	110.5	129.0	110.9	121.3	98.8	146.2	132.5	115.7	103.3	119.4	122.7	111.8	119.4	119.0	112.2	112.8
June	85.9	112.9	111.2	134.2	121.3	128.5	98.4	144.3	133.0	115.6	103.3	119.7	123.0	112.4	121.4	119.9	112.2	113.2
July	117.0	103.1	110.5	130.2	126.5	128.9	100.0	151.0	133.0	116.6	102.1	119.9	122.3	112.6	122.0	120.7	112.4	113.3
August	100.5	106.7	108.9	122.1	123.5	124.8	104.1	146.9	133.0	116.8	102.1	120.1	127.2	112.6	121.5	119.9	112.8	113.4
September	122.5	103.4	108.4	118.9	124.5	123.1	100.0	150.0	133.4	116.6	102.1	120.4	127.2	113.1	121.3	120.1	113.2	113.6
October	113.8	101.3	107.9	113.4	124.0	120.3	97.1	150.2	130.7	116.0	104.7	121.2	127.7	115.0	121.6	119.8	113.8	114.0
November	139.8	125.3	111.1	112.4	123.6	119.8	97.7	157.6	131.2	116.3	106.5	121.9	127.9	116.0	121.8	123.1	114.2	114.7
December	155.8	112.4	111.7	114.1	125.8	121.4	100.2	154.5	133.9	116.4	108.0	122.0	127.1	116.1	122.6	123.3	114.6	115.1
1970																		
January	152.2	116.6	112.5	119.5	130.2	124.9	106.8	158.6	133.9	116.9	107.5	122.3	129.1	117.4	125.1	125.0	115.1	116.0
February	136.9	117.2	113.7	118.2	128.1	124.5	100.9	160.0	134.1	117.3	107.5	123.3	127.7	118.3	125.2	124.5	115.5	116.4
March	120.1	118.2	114.3	125.2	125.7	127.2	104.7	155.8	133.1	116.5	112.4	123.7	127.4	118.4	124.9	124.9	115.8	116.6
April	94.9	112.7	111.3	126.8	118.7	125.5	98.9	154.3	135.1	117.5	113.6	124.6	128.7	118.8	124.9	123.2	116.2	116.6
May	79.7	123.5	111.0	122.0	118.7	122.7	99.4	151.1	135.4	118.1	113.1	124.6	129.4	120.3	124.1	122.8	116.6	116.8
June	85.3	122.2	111.3	122.3	122.5	124.6	94.1	154.9	135.4	118.5	113.2	124.6	130.4	120.3	124.8	123.5	116.7	117.0
July 9/			113.0												126.4		116.9	117.6
August																		
September																		
October																		
November																		
December																		
	Seasonally adjusted																	
1969																		
January	128.1	112.9	105.3	—	—	—	—	—	130.1	112.7	110.0	—	118.3	—	115.7	—	—	—
February	111.1	106.8	104.5	—	—	—	—	—	130.6	114.5	102.1	—	118.3	—	116.1	—	—	—
March	110.1	109.0	106.3	—	—	—	—	—	131.2	115.2	102.7	—	119.5	—	117.1	—	—	—
April	106.1	102.1	105.1	—	—	—	—	—	132.2	115.5	103.4	—	120.9	—	118.6	—	—	—
May	96.1	117.4	109.6	—	—	—	—	—	133.8	115.9	103.7	—	123.4	—	120.2	—	—	—
June	95.3	111.8	111.3	—	—	—	—	—	133.1	115.4	104.1	—	123.2	—	120.7	—	—	—
July	124.5	98.9	108.5	—	—	—	—	—	132.7	116.7	102.6	—	122.4	—	120.7	—	—	—
August	98.0	112.8	108.7	—	—	—	—	—	132.7	118.0	102.6	—	127.5	—	121.1	—	—	—
September	102.3	111.2	108.3	—	—	—	—	—	132.6	117.8	102.1	—	127.3	—	120.5	—	—	—
October	109.0	108.6	109.5	—	—	—	—	—	129.7	115.7	104.9	—	127.4	—	121.7	—	—	—
November	129.3	126.2	112.8	—	—	—	—	—	130.7	115.4	106.3	—	127.5	—	122.4	—	—	—
December	139.7	114.6	112.4	—	—	—	—	—	133.1	115.7	107.6	—	127.0	—	122.8	—	—	—
1970																		
January	158.0	115.3	112.7	—	—	—	—	—	134.3	116.7	107.1	—	128.6	—	125.0	—	—	—
February	136.6	114.9	113.5	—	—	—	—	—	134.8	117.3	106.8	—	127.4	—	125.2	—	—	—
March	117.3	114.8	114.0	—	—	—	—	—	134.3	116.6	111.8	—	127.5	—	125.7	—	—	—
April	102.6	111.8	111.3	—	—	—	—	—	136.1	117.7	113.4	—	129.5	—	126.2	—	—	—
May	98.3	111.8	109.4	—	—	—	—	—	136.1	118.2	113.2	—	130.1	—	124.6	—	—	—
June	97.4	121.8	109.5	—	—	—	—	—	134.9	118.5	113.5	—	130.7	—	123.7	—	—	—
July																		
August																		
September																		
October																		
November																		
December																		

1/ For earlier annual data, see table 106, Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, page 179, by Stephen J. Hiemstra. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks and alcoholic beverages. 8/ Revised. 9/ Preliminary estimate.

Bureau of Labor Statistics.

Table 13.--Retail food price indexes and Consumer Priee Index, selected periods 1/
(1957-59=100)

Year and month	Food at home																		Consumer Price Index
	Meats			Poultry 3/	Fish	Eggs	Dairy products 4/	Fats and oils 5/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total	Food away from home	All food	Consumer Price Index, less food	
	Beef and veal	Pork	Total 2/						Fresh	Proeessed	Total								
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	6/	84.7	79.7	81.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.7	103.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.3	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	110.4	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	106.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.0	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.8	116.3
1968	117.7	115.0	116.4	91.7	123.8	95.3	120.6	104.0	136.0	115.3	126.8	119.0	118.6	101.0	115.9	136.3	119.3	121.9	121.2
1969	129.5	125.2	126.8	96.9	130.6	112.1	124.5	104.0	138.1	116.3	128.4	122.4	125.1	103.7	121.5	144.6	125.5	128.6	127.7
January	121.1	115.7	118.6	90.8	127.0	119.8	122.7	103.5	136.4	115.3	127.0	120.5	122.7	102.3	118.3	140.3	122.0	124.9	124.1
February	121.3	116.6	119.0	92.3	127.7	116.2	122.8	103.6	132.3	115.3	124.7	120.8	123.1	102.2	118.1	140.7	121.9	125.6	124.6
March	121.4	116.4	119.1	94.2	127.7	108.5	123.0	103.9	137.2	115.8	127.6	121.2	123.8	102.5	118.5	141.3	122.4	126.8	125.6
April	125.1	117.5	121.2	95.3	128.4	109.8	122.9	103.6	137.6	115.9	127.9	121.3	124.4	102.6	119.3	142.2	123.2	127.5	126.4
May	127.9	118.8	123.4	93.3	129.5	97.4	123.6	104.1	140.9	116.3	130.0	121.6	124.7	102.7	119.8	142.8	123.7	127.9	126.8
June	134.6	126.1	129.5	97.3	129.8	92.5	124.0	104.0	142.4	116.3	130.8	122.0	125.2	103.4	121.8	143.7	125.5	128.4	127.6
July	136.8	129.0	131.7	100.4	130.6	95.6	124.4	103.7	145.0	116.4	132.3	122.6	125.3	103.3	123.0	144.8	126.7	128.8	128.2
August	135.4	130.2	131.9	101.4	131.5	114.4	125.0	103.7	141.0	116.7	130.2	122.6	125.4	103.8	123.6	145.8	127.4	129.3	128.7
September	135.0	133.7	133.1	102.0	132.2	113.8	125.5	103.7	134.9	116.9	126.8	123.0	126.0	103.7	123.6	146.7	127.5	130.0	129.3
October	132.9	132.7	132.0	98.2	133.4	114.5	125.8	104.0	130.1	116.6	124.0	123.7	126.4	104.3	122.9	148.1	127.2	130.8	129.8
November	131.5	132.0	131.1	99.1	134.0	122.3	126.3	104.8	135.4	116.8	127.0	124.1	126.6	106.1	123.8	149.0	128.1	131.4	130.5
December	130.6	133.3	131.3	97.9	135.4	140.6	127.6	105.6	144.1	117.1	132.1	124.9	127.5	107.4	125.8	149.9	129.9	131.9	131.3
1970																			
January	132.2	135.6	132.9	99.5	137.0	143.0	128.4	106.3	141.9	117.1	130.9	125.5	128.1	109.1	126.6	150.6	130.7	132.3	131.8
February	133.0	137.2	133.9	99.1	138.3	141.0	128.8	106.8	144.5	117.3	132.4	126.3	128.6	110.7	127.4	151.5	131.5	133.0	132.5
March	133.6	137.9	134.7	97.9	139.8	122.6	129.4	107.3	145.7	117.3	133.1	127.0	129.7	112.4	127.4	152.4	131.6	133.8	133.2
April	136.5	135.9	135.6	97.1	141.1	103.6	129.5	109.3	148.0	118.0	134.7	127.6	130.5	114.0	127.4	154.0	132.0	134.8	134.0
May	135.9	134.8	135.0	97.1	142.3	97.7	129.9	111.4	151.5	118.3	136.8	128.0	131.8	115.2	127.8	154.7	132.4	135.5	134.6
June	135.3	134.4	134.5	97.4	143.2	91.9	130.2	111.9	155.9	118.6	139.4	128.2	132.2	116.5	128.0	155.3	132.7	136.1	135.2
July																			
August																			
September																			
October																			
November																			
Deeember																			
	Seasonally adjusted																		
1969																			
January	121.5	116.5	119.0	94.1	126.5	116.5	122.3	---	141.2	---	129.6	---	---	---	118.5	---	122.2	---	---
February	121.5	117.4	119.1	91.4	127.3	112.4	122.8	---	134.0	---	125.6	---	---	---	118.3	---	122.1	---	---
March	121.8	117.3	119.5	93.2	127.4	110.3	123.2	---	136.7	---	127.3	---	---	---	118.9	---	122.8	---	---
April	126.5	121.0	122.7	96.1	128.3	111.9	123.5	---	134.8	---	126.4	---	---	---	119.7	---	123.6	---	---
May	128.7	124.5	125.9	95.4	129.4	106.6	124.1	---	135.9	---	127.1	---	---	---	120.3	---	124.2	---	---
June	134.9	126.5	130.0	99.9	129.9	103.6	124.5	---	135.2	---	127.0	---	---	---	121.8	---	125.5	---	---
July	136.9	126.2	131.0	101.4	130.7	104.3	124.6	---	131.1	---	124.5	---	---	---	122.0	---	125.8	---	---
August	134.9	125.1	130.0	101.1	131.6	116.4	124.9	---	136.6	---	127.8	---	---	---	122.4	---	126.4	---	---
September	133.5	129.3	131.0	101.4	132.3	106.5	125.1	---	142.3	---	131.0	---	---	---	123.2	---	127.1	---	---
October	131.8	129.8	130.6	100.3	133.9	104.3	125.2	---	138.4	---	128.9	---	---	---	122.9	---	127.1	---	---
November	131.4	132.5	131.1	102.9	134.5	120.1	125.7	---	143.4	---	131.5	---	---	---	124.5	---	128.6	---	---
December	130.9	135.5	132.1	101.2	135.4	130.9	127.1	---	150.6	---	135.2	---	---	---	126.2	---	130.3	---	---
1970																			
January	132.9	136.8	133.7	103.1	136.5	138.7	128.1	---	144.1	---	132.0	---	---	---	126.7	---	130.8	---	---
February	133.5	138.4	134.6	97.7	137.9	133.5	128.9	---	146.7	---	133.5	---	---	---	127.7	---	131.8	---	---
March	134.1	139.6	135.9	94.9	139.8	123.6	129.8	---	144.8	---	132.6	---	---	---	127.9	---	132.0	---	---
April	137.7	139.8	137.4	93.5	141.0	104.6	130.2	---	145.7	---	133.5	---	---	---	127.8	---	132.4	---	---
May	136.4	139.8	137.3	96.6	142.2	108.1	130.3	---	146.5	---	134.0	---	---	---	128.4	---	132.9	---	---
June	135.2	134.4	134.0	96.0	143.3	105.8	130.2	---	148.5	---	135.5	---	---	---	127.7	---	132.4	---	---
July																			
August																			
September																			
October																			
November																			
December																			

1/ For earlier annual data, see table 96, Food Consumption, Prices, and Expenditures, Agricultural Economie Report No. 138, July 1968, page 165, by Stephen J. Hiemstra. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 4/ Includes butter. 5/ Excludes butter. After December 1963 computed by Economie Research Service using data for items additional to those in the CPI. 6/ Data not eolleeted prior to 1953.

Bureau of Labor Statistics.

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The next issue of the National Food Situation is scheduled to be available November 17, 1970.

The summary is scheduled to be released to the press immediately after the Outlook and Situation Board meeting, November 9, 1970.

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Table 1.--Consumer, wholesale, and farm price indexes, 1969-70
(1957-59=100)

Item	1969			1970			
						III	
	III	IV	Year	I	II	Index	Percentage change from 1969 III
Retail prices: 1/							
All goods and services (CPI)	128.7	130.5	127.7	132.5	134.6	136.1	5.7
All items less food	129.4	131.4	128.6	133.0	135.5	137.1	6.0
All food	127.2	128.4	125.5	131.3	132.4	133.4	4.9
Food at home	123.4	124.2	121.5	127.1	127.7	128.5	4.1
Food away from home	145.8	149.0	144.6	151.5	154.7	156.8	7.5
Wholesale prices: 1/							
All commodities	113.4	114.6	113.0	116.3	116.8	117.6	3.7
Industrial commodities	112.8	114.2	112.7	115.5	116.5	117.1	3.8
Farm products	109.3	110.2	108.5	113.5	111.2	111.0	1.6
Processed food	122.0	122.2	119.9	124.9	125.1	126.1	3.4
All food 2/	120.2	122.1	119.0	124.8	123.2	123.8	3.0
Prices received by farmers: 3/							
Crops	97	97	99	98	102	104	7.2
Livestock and products	128	130	125	134	127	125	- 2.3
Average	115	116	114	120	116	116	.9
Market basket of U.S. farm foods: 4/							
Retail cost	121.6	122.0	119.4	124.6	124.8	125.6	3.3
Farm-retail spread	118.1	119.3	117.0	120.8	124.9	126.5	7.1
Farm value	126.9	126.2	123.0	130.5	124.6	124.2	- 2.1

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

NATIONAL FOOD SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
November 9, 1970

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The *National Food Situation* is published in February, May, August, and November.

SUMMARY

Store prices of food in the last quarter of 1970 are expected to show some seasonal decline and may be only 2 to 2½ percent higher than in the same quarter last year. Food eaten away from home probably will continue to show prices 6½ to 7 percent above year-earlier levels.

Retail food prices in the first half of 1971 may creep up slightly, averaging 1 to 2 percent higher than during the same period of 1970. Slackening of the advance in disposable incomes, larger supplies of some commodities, and perhaps a slower rise in marketing costs will help stabilize food prices.

Grocery store food prices for all of 1970 will likely average 5 percent above 1969. Prices of food eaten away from home probably will be up 7½ percent. And the combined increase, of about 5½ percent, compares with last year's rise of 5.2 percent.

Food prices in grocery stores declined slightly both in August and September, and on a seasonally adjusted basis averaged lower than in February of this year. However, they were nearly 4 percent above September 1969.

Much of the grocery price increase this year reflected higher average red meat prices, particularly pork. Prices of fish, fresh vegetables, and coffee also rose substantially. Poultry and egg prices averaged higher, although they have declined from high levels early in the year.

Food consumption per person in 1970 will average about half a percent higher than last year. Increased meat and poultry consumption have been major factors. Consumption also is up for fats and oils and for fish. Meat consumption in the final quarter this year may average 4 percent above a year ago, then ease a little in early 1971. However, it will still be substantially above year-earlier levels. Consumption of dairy and poultry products will show only usual seasonal changes during the next several months.

Food expenditures this year may total $114 billion, up 8 percent from 1969. A large portion of the increase came in the first and second quarters. Increases in the third and fourth quarters likely will total less than half the first quarter rise.

Since the increase in food expenditures will about equal the rise in disposable personal incomes, the share of income spent for food will be nearly the same as the 16.7 percent in 1969. However, the share probably will average a little lower in the last quarter this year than last year.

Total annual utilization of farm food commodities this year is expected to be up about 2 percent. Military purchases are stabilizing after a sharp decline in 1969. Exports and imports are higher this year compared with the reduced levels of last year. Stocks at the end of the year may average nearly the same as at the beginning.

FOOD PRICES

Retail Prices

Prices of food bought in grocery stores declined in September for the second consecutive month, but the most recent decline was less than usual (table 16). There were sharp increases for fish, eggs, and dairy products and smaller than seasonal declines for fresh fruits and vegetables. Decreases for beef, pork, and poultry were larger than seasonal. Fresh vegetable prices did not decline as much as expected, largely because lettuce prices increased sharply. A labor dispute interrupted the California lettuce harvest.

Despite price declines late in the third quarter, the average was 0.6 percent higher than in the second quarter and 4 percent above the third quarter last year (table 1). Earlier this year prices were averaging 7 to 8 percent above a year ago.

In September the index was 1½ percent higher than in January compared with a 4½ percent increase during the same period last year. The increase so far this year is the result of increases for beef, fish, fats and oils, cereal and bakery products, sugar and sweets, and beverages. There were declines during the year for poultry, eggs, pork, and fresh fruits and vegetables.

Prices of food away from home have increased rapidly in the past year and a half, reflecting the rise in farm product prices during late 1969 and early 1970 and also increased costs of labor and other operating expenses. Since January 1969 away-from-home eating prices have increased at an annual rate of nearly 7½ percent. These rapid increases seem to be some deterrent to eating out, since expenditures for meals are rising only slightly more than prices.

Wholesale Prices

Wholesale prices of food in the third quarter were slightly higher than in the second quarter, but slightly lower than in the first quarter this year (Figure 1). Since July-September 1969 prices have risen 3 percent. Processed food prices went up nearly 3½ percent in the past year, while prices of all farm products advanced only 1½ percent and farm prices of products used for food were down 2 percent. Since the first quarter all farm product prices have declined more than 2 percent and farm prices of food products are down 5 percent. Industrial commodity prices have increased nearly 4 percent since the third quarter last year.

In September wholesale prices of food turned up 2 percent over August levels, largely because of a more than seasonal rise for eggs and a contraseasonal advance

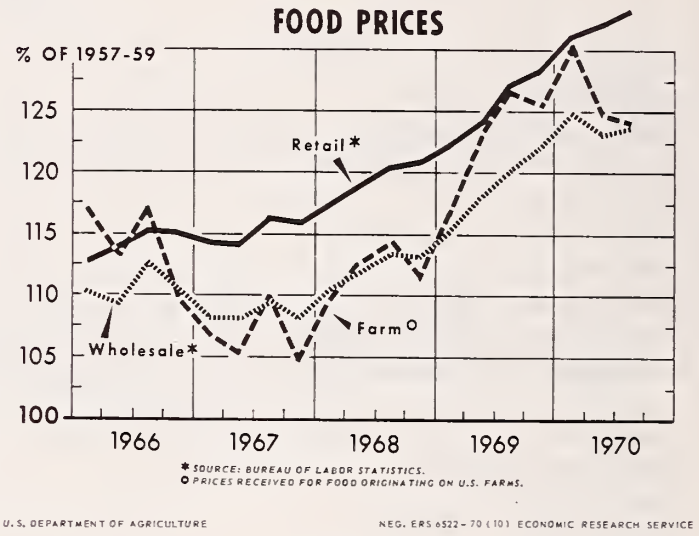

Figure 1

for fresh fruits and vegetables (table 15). However, there also was a smaller than seasonal increase in processed food prices. Wholesale meat prices declined 2½ percent, with pork down more than beef. There was some weakening of the recent surge in prices of vegetable oil end products, and dairy product prices declined instead of increasing seasonally. Fresh fruit and vegetable price increases reflected the disruption in the lettuce harvest.

Farm Prices

Prices of farm food products averaged slightly lower in the third quarter than in the previous quarter and 2 percent below a year ago. However, farm prices have undergone some dramatic changes since last year as they increased more than 6 percent between October 1969 and March 1970 mainly reflecting sharp increases in prices of eggs, fruits and vegetables, and hogs. Between March and September these prices declined more than 7 percent, with the same commodities accounting for much of the decrease.

Marketing Costs

The unusually large 7 percent increase in the farm-retail spread estimated for 1970 has had a major impact on retail prices of food. Only part of this increase reflects some catching up of margins to offset the increases in marketing costs in recent years.

Outlook

Retail store prices of food probably will average 5 percent higher for 1970 than in 1969 while prices of

food eaten away from home will likely average 7½ percent more than last year. Average prices for all food, at home and away from home, will be up about 5½ percent.

According to preliminary data, prices of store-bought food will decline some in the fourth quarter, continuing the downtrend in recent months. However, they will still be 2½ percent higher than in the same period last year. Meat will provide the major impetus for this decline as sharper than seasonal price decreases are forecast. Larger supplies of pork probably will push prices down from the third quarter levels, and below those in the same quarter of 1969. Equivalent farm prices of hogs are expected to be down more than retail prices, so the farm-retail spread for pork will remain considerably above year-ago levels.

Egg prices may not change much the rest of the year and may be down about a fifth from the unusually high levels of a year ago.

Prices of food from crops in the October-December quarter may average about 5 percent higher than in fourth quarter last year—though they will be down a little from July-September levels. Prices of fresh fruits and vegetables, which usually decline 7 percent in the last quarter of the year, may drop less than that amount despite larger supplies of citrus fruit, potatoes, and onions. Prices for processed fruits and vegetables are expected to decline, but for all of the other crop-food categories prices will likely continue creeping upward. Prices for many of these are related more to rising costs of processing and distribution than to food supplies.

Food prices will likely average a little higher in the first half of 1971 than in the fourth quarter of 1970. Small increases for fish, dairy products, sugar and sweets, cereal and bakery products and larger ones for fruits and vegetables and for beverages are expected to outweigh declines for most other foods. A large decline can be expected for pork, if the high marketing margins of recent months are reduced. Store-bought food prices may average only 1 to 2 percent higher than in the first half of 1970, but eating place prices likely will be up 5 percent or more.

FOOD SPENDING AND INCOME

Disposable personal income increased a little over 1 percent in the third quarter this year, the smallest increase since the first quarter of 1969 (table 2 and figure 2). Compared with the third quarter last year income after taxes was 8 percent higher. Much of this increase was absorbed by higher prices and a 1 percent increase in population so that real per capita income rose only 2½ percent between the third quarter of 1969 and the third quarter this year.

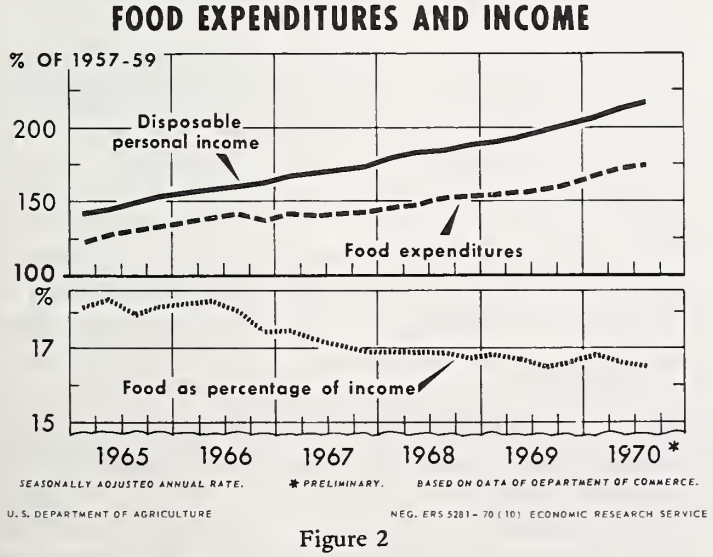

Figure 2

Total consumer outlays increased almost as much as disposable income in the third quarter. As a result the personal savings rate increased only slightly compared with the sharp rise in the second quarter. It now stands at 7.6 percent of income compared with 6.5 percent a year ago.

Based on preliminary data, personal expenditures for food averaged $114.6 billion in the July-September quarter, 0.6 percent more than in the second quarter. This was the smallest increase in the last 2 years and considerably less than the 3.3 percent rise from the fourth quarter of 1969 to the first quarter this year. Much of the decrease in the rate of increase reflects an easing of food prices in recent months. Still, total food spending is running more than 8 percent above last year with much of the increase accounted for by a 5 percent rise in food prices.

All of the quarter-to-quarter increase occurred in the food-at-home component. The amount spent for food away from home changed little despite a 1.3 percent increase in prices of restaurant meals and snacks. However, the increase since the third quarter last year was shared proportionately by food stores and away-from-home eating places.

Since food expenditures increased more slowly than income, the share of income spent for food declined from 16.7 percent in the March-June quarter to 16.5 percent in the quarter just ended. This was the same as in the third quarter last year.

Outlook

Disposable income may increase only slightly in the fourth quarter, but the pace could pick up some in the first half of 1971. Much of this will be absorbed by

Table 2.—Expenditures for food in relation to disposable income, 1960 and 1965-70[1]

Year	Disposable personal income	Personal consumption expenditures for food[2]					
		For use at home[3]		Away from home[4]		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.2	78.9	13.3	20.7	3.5	99.6	16.8
1969	631.6	83.6	13.3	21.7	3.4	105.3	16.7
I	612.0	82.0	13.4	21.0	3.4	103.0	16.8
II	623.0	82.6	13.3	21.8	3.5	104.4	16.8
III	640.6	84.1	13.1	21.7	3.4	105.8	16.5
IV	650.6	85.9	13.2	22.3	3.4	108.2	16.6
1970							
I	665.3	88.9	13.4	22.9	3.4	111.8	16.8
II	683.6	90.4	13.2	23.5	3.5	113.9	16.7
III[5]	693.0	91.2	13.1	23.4	3.4	114.6	16.5

[1] Quarterly data are seasonally adjusted annual rates.
[2] Derived from data of Department of Commerce, *Survey of Current Business* and *The National Income and Product Accounts of the United States, 1929-65*, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with *1963 Census of Business*, Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees.
[3] Includes food consumed on farms where produced.
[4] Includes food served to the military and employees of hospitals, prisons, and food service establishments.
[5] Preliminary.

higher prices and increased population, lifting per capita real income only slightly through the first half of 1971.

With the slackening in the pace of income advance and larger supplies of food, expenditures for food will likely remain stable to slightly higher through the first quarter of next year. For all of 1970 food expenditures may total close to $114 billion, about 8 percent higher than last year. This exceeds the large increase in 1966 and is the sharpest since 1951.

The expected easing of advances in food expenditures as well as in income in the last quarter will allow the percentage of income spent for food to remain at 16½ percent and for the year will average just slightly lower than last year.

Grocery Store Sales

Food sales in grocery stores increased 5 percent in 1969 to $53.4 billion, according to the annual survey by Conover-Mast publications.[1] The increase was about the same as in 1968 and well above the rise of 1 percent in 1967. Nearly all of the increase in 1969, however, was accounted for by higher prices. The volume of food moving through stores apparently increased 1½ percent in 1968 and 1 percent in 1967, but less than half a percent in 1969.

For the first time in recent years, gains in nonfood and alcoholic beverage sales fell behind those for food. Such sales totaled $19.8 billion, up 3 percent. This compares with a gain of 10 percent in 1968.

Total grocery store sales were up 4½ percent, with large chains accounting for all of the increase. Year-to-year sales gains by chains of 11 or more stores each slowed to 8 percent in 1969 from the 14 percent registered in 1968 over 1967. Sales by companies operating 1 to 10 stores have been about stable since 1966, though they have averaged slightly under the $35 billion total for that year. As a result, chains now account for 52 percent of the total compared with 46 percent in 1966.

Sales increases for the various food categories ranged 3 to 7 percent, with meat, poultry, fish, eggs, and beverages the top gainers. However, price rises more than accounted for sales gains for meat and eggs and for most of the increase in sales of poultry, fish, and cereal and bakery products. Price increases accounted for

[1] Reported in *Supermarketing*, September 1970.

Table 3.--Distribution of grocery store sales, by commodity groups, 1963, 1968 and 1969

Commodity group	Percentage of total store sales			Percentage of food sales		
	1963	1968	1969	1963	1968	1969
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Food:						
Meat, poultry, and fish	25.2	25.4	25.9	33.0	35.0	35.6
Meat	19.7	20.2	20.6	25.8	27.9	28.3
Poultry	3.8	3.6	3.7	5.0	5.0	5.1
Fish	1.7	1.6	1.6	2.2	2.1	2.2
Eggs	1.1	.9	1.0	1.5	1.3	1.3
Dairy products	7.7	6.7	6.7	10.1	9.3	9.2
Fruits and vegetables 1/	18.9	18.1	17.8	24.7	24.9	24.4
Fresh produce	10.1	10.2	10.0	13.2	14.0	13.7
Processed products	8.8	7.9	7.8	11.5	10.9	10.7
Cereal and bakery products	9.8	8.8	8.7	12.8	12.2	12.0
Nonalcoholic beverages	5.3	5.0	5.1	6.9	6.9	7.0
Other foods 2/	8.5	7.6	7.7	11.0	10.4	10.5
Total food	76.5	72.5	72.9	100.0	100.0	100.0
Nonfood:						
Alcoholic beverages	4.9	4.9	4.9	---	---	---
Pet food	.8	1.1	1.2	---	---	---
Tobacco	4.2	3.9	4.0	---	---	---
Health and beauty aids	3.0	3.4	3.4	---	---	---
Soaps and laundry supplies	2.7	2.5	2.5	---	---	---
Paper products and foil	1.6	1.7	1.7	---	---	---
Housewares and household supplies 3/	2.0	2.1	2.1	---	---	---
Magazines, books, records	.3	.3	.3	---	---	---
Other nonfoods	4.0	7.6	7.0	---	---	---
Total nonfoods	23.5	27.5	27.1	---	---	---
Total, all items	100.0	100.0	100.0	---	---	---
Value, all items (billion dollars)	$53.9	$70.0	$73.2	---	---	---

1/ Including potatoes, sweetpotatoes, and melons. 2/ Includes frozen prepared foods; baking needs; candy and chewing gum; desserts; food fats and dressing; jams, jellies, and preserves; sugars and other sweeteners; and other foods. 3/ Includes cooking, kitchen aids, and serving utensils, glassware, and such items as pesticides, waxes, mops, brooms, lightbulbs and deodorizers.

Derived from annual survey of grocery stores by Supermarketing (formerly Food Topics), (C-M Food Industry Publications, Inc., New York).

three-fourths of the 4 percent sales gain for dairy products.

Share of Budget for Meat Up, Fruits and Vegetables Down

Red meats accounted for more than a third of the total gain in food sales in 1969, but sales of poultry and fish also moved up strongly. As a result, 35.6 cents of the food dollar spent in grocery stores went for these items as compared with 35.0 cents in 1968 (table 3). Nonalcoholic beverages had the largest proportionate sales increase of any food group. The proportion of sales declined for fruits and vegetables, dairy products, and cereal and bakery products.

Nonfood Share

The nonfood share of total grocery store sales decreased some in 1969, reversing the strong upward trend of recent years. The traditional nonfood categories, such as soaps, paper products, and housewares, held their positions, with pet foods and tobacco products each increasing their shares slightly. All of the drop was in a large non-itemized category which includes merchandise relatively new to grocery stores. Such sales slipped 4½ percent in 1969 following large gains in preceding years. Sales increased for some of the "other nonfoods" for which separate data are available. Toys were up 4 percent, women's hosiery 17 percent, and phonograph records 1 percent.

PER CAPITA FOOD CONSUMPTION

Per capita consumption of food products will probably be about half a percent higher in 1970 than in 1969 (table 4). Over half of the increase is due to nearly 1 percent greater consumption of animal products; consumption of crop products is up 0.6 percent. Nearly all of the increase for the animal products group is attributed to a 1½ percent gain for red meat and a 4 percent increase in poultry consumption. There is a smaller increase for fish. Dairy products consumption continues the downward trend of the past few years, and further reductions in the consumption of butter and lard are also limiting the overall gains.

Most changes in the per capita consumption for crop groups have been small. Perhaps the most significant is the 4 percent increase for vegetable fats and oils and a similar increase for processed potatoes. In addition there is a surprising 2 percent increase in consumption of sugar. But declines have occurred for fresh potatoes, cereal products, and coffee.

Among individual products there have been some larger changes in consumption (table 5)—for example, 10 percent more apples, 7 percent more chicken, but over 10 percent less veal and rice.

Although total consumption of animal products is running less than 1 percent higher in 1970 than in 1969 there have been some larger quarterly changes (table 6 and figure 3). However, some of these movements were seasonal. For example, per capita consumption of poultry products increased 11 percent from the first to the second quarter, another 3½ percent in the third quarter and 14 percent is forecast for the last quarter. However, compared with last year, consumption was higher in the first 6 months and will be about the same in the last 6 months.

The consumption of meat in the fourth quarter is expected to be about 4 percent above the same quarter last year, whereas in the first 3 quarters it had averaged

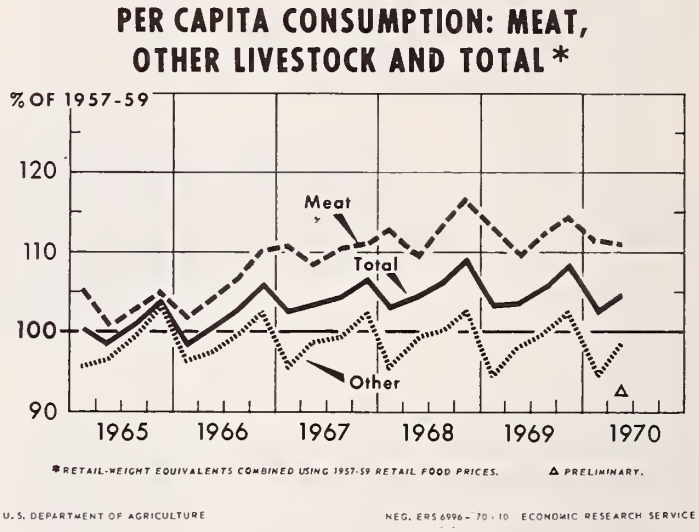

Figure 3

close to last year's level. Thus in the closing months of 1970 meat consumption is attaining an all-time high.

Outlook for Consumption

Per capita consumption of livestock products in the first half of 1971 may average 1½ to 2 percent above that in the same period in 1970. Pratically all of the increase will be due to higher levels of meat consumption, as beef shows moderate gains and pork consumption increases substantially over the first half of this year.

Egg production may continue moderately above year-earlier levels throughout this fall and winter. Chicken consumption likely will average below a year earlier through most of the first half of next year. The smaller chicken supplies this fall are being partly offset by larger supplies of turkeys.

Consumption of dairy products is expected to decline in the first quarter of 1971, then increase to a seasonal

Table 4.--Food consumption per capita, 1960-70 1/
(1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	102	102	98	94	98	92	106	99	97	102	99
1961	101	112	102	92	97	94	103	99	93	99	96
1962	102	110	101	92	97	93	107	100	89	103	95
1963	105	112	102	89	97	89	112	101	80	94	87
1964	108	114	99	89	97	87	119	103	85	91	88
1965	104	122	103	88	96	83	121	102	87	96	92
1966	106	131	102	88	95	75	134	105	87	97	92
1967	110	136	102	91	93	75	131	104	87	107	97
1968	113	135	104	90	94	77	137	107	85	104	94
1969	113	141	105	89	93	71	145	109	86	111	98
1970 4/	114	147	107	89	92	68	151	111	86	112	99

	Vegetables 5/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 6/	Total
1960	100	103	101	94	131	100	102	101	99.6	101.5	100.5
1961	98	104	99	92	137	99	102	102	99.7	100.7	100.1
1962	95	109	99	88	150	98	103	103	100.1	100.8	100.4
1963	94	109	99	90	160	97	103	106	101.3	100.2	100.8
1964	93	111	98	82	178	98	103	103	102.8	100.7	101.8
1965	93	116	99	77	202	98	103	100	100.9	102.0	101.4
1966	91	118	99	77	229	96	104	100	102.1	103.0	102.5
1967	93	122	102	73	234	97	104	101	104.1	104.5	104.3
1968	92	126	102	73	247	98	107	101	105.7	105.6	105.6
1969	92	127	102	75	257	98	108	97	105.2	106.7	105.9
1970 4/	93	124	102	74	267	97	110	96	106.1	107.4	106.7

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in table 2, National Food Situation, NFS-124 (May 1968), p. 2, and in table 1, Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.

2/ Includes butter.

3/ Excludes melons and baby food.

4/ Preliminary.

5/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes.

6/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 5.--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1966-70 1/

Commodity	Average 1957-59	1966	1967	1968	1969	1970	1970 as percentage of 1969
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Percent
Meats (carcass weight)	156.6	170.5	177.8	182.7	182.0	184.8	102
Beef	82.1	104.0	106.2	109.4	110.5	113.1	102
Veal	7.1	4.5	3.8	3.6	3.3	2.9	88
Lamb and mutton	4.4	4.0	3.9	3.7	3.4	3.4	100
Pork (excluding lard)	63.0	58.0	63.9	66.0	64.8	65.4	101
Fish (edible weight)	10.5	10.8	10.8	11.0	11.1	11.3	102
Poultry products:							
Eggs (farm basis)--Number	356	313	323	320	316	317	100
Chicken (ready-to-cook)	27.5	36.0	37.1	37.4	39.0	41.7	107
Turkey (ready-to-cook)	6.0	7.8	8.6	7.9	8.3	7.9	95
Dairy products:							
Cheese	7.9	9.7	10.1	10.6	10.9	11.4	105
Condensed and evaporated milk	14.8	9.7	9.0	8.9	8.0	7.5	94
Fluid milk and cream (milk equivalent)	337	296	285	279	271	261	96
Ice cream (product weight)	18.4	18.1	17.8	18.3	17.9	17.9	100
Fats and oils--Total, fat content	45.3	49.6	49.2	51.0	51.8	53.3	103
Butter (actual weight)	8.2	5.7	5.5	5.6	5.4	5.1	94
Margarine (actual weight)	8.9	10.5	10.5	10.8	10.8	11.0	102
Lard	9.3	5.5	5.4	5.6	5.1	4.8	94
Shortening	11.4	15.9	15.9	16.2	17.0	17.9	105
Other edible fats and oils	10.8	15.1	15.1	16.0	16.7	17.4	104
Fruits:							
Fresh	95.5	81.2	80.7	78.0	78.7	79.4	101
Citrus	34.0	29.0	31.5	26.2	28.2	28.3	100
Apples (commercial)	21.0	15.9	16.1	15.6	14.9	16.4	110
Other (excluding melons)	40.5	36.3	33.1	36.2	35.7	34.7	97
Processed:							
Canned fruit	22.4	22.8	22.5	22.6	24.4	24.5	100
Canned juice	13.5	11.6	11.7	12.2	14.6	13.9	95
Frozen (including juices)	8.6	8.1	10.1	9.3	9.3	9.8	105
Dried	3.3	3.0	2.8	2.8	2.9	2.8	97
Vegetables:							
Fresh 2/	104.1	95.8	97.8	98.4	98.2	98.5	100
Canned, excluding potatoes and sweetpotatoes	43.3	47.4	48.8	50.2	51.1	49.9	98
Frozen, excluding potatoes	6.6	8.8	9.0	9.6	9.1	9.0	99
Potatoes, fresh equivalent	106.9	113.3	111.1	115.4	118.2	122.8	104
Sweetpotatoes, fresh equivalent	8.3	6.3	5.8	5.7	6.0	5.8	97
Grains:							
Cornmeal and flour	7.4	6.9	7.2	7.3	7.4	7.4	100
Corn sirup	9.4	14.0	14.0	14.7	15.0	15.2	101
Corn sugar	3.6	4.5	4.6	4.7	4.8	4.8	100
Wheat flour 3/	120	111	112	112	112	111	99
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.3	7.5	7.8	8.3	7.4	89
Other:							
Coffee (green beans)	15.7	14.5	14.8	14.8	14.1	14.0	99
Tea	.58	.69	.69	.72	.73	.74	101
Cocoa beans	3.5	4.2	4.2	4.3	3.9	3.9	100
Peanuts (shelled)	4.6	5.5	5.7	5.8	5.9	6.0	102
Dry edible beans	7.7	6.3	6.9	6.3	6.8	6.5	96
Melons	25.1	21.9	22.3	22.3	23.0	23.1	100
Sugar (refined)	96.1	97.4	97.1	99.8	99.9	102.2	102
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Percent
Civilian population 4/	171.5	193.8	195.7	197.6	199.7	202.2	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Table 6.--Livestock products: Per capita civilian consumption indexes, quarterly, 1966-70 1/
(1957-59=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products		Animal fats, including butter	Total livestock products 2/
				Excluding butter	Including butter		
1966 I	101.9	103.2	88.4	98.7	96.9	80.1	98.8
II	104.2	120.0	85.8	98.4	95.8	71.7	100.5
III	106.9	139.4	86.7	97.3	93.9	70.1	102.9
IV	110.3	159.7	91.5	94.4	92.5	77.0	105.9
1967 I	110.7	110.3	90.9	95.1	93.2	77.8	102.4
II	108.6	128.3	88.3	98.4	95.4	70.3	103.4
III	110.2	143.2	90.0	94.8	92.0	73.0	104.3
IV	111.0	164.0	93.9	92.4	90.7	79.4	106.2
1968 I	112.6	115.4	93.1	93.1	91.3	79.7	103.2
II	109.9	124.8	88.6	99.4	96.7	74.6	104.3
III	113.6	140.1	87.7	97.4	94.4	73.0	106.3
IV	116.7	159.5	90.4	94.7	92.8	80.7	109.0
1969 3/ I	113.3	116.5	90.1	92.2	90.5	75.8	102.9
II	109.6	132.0	87.8	97.6	94.7	66.4	103.7
III	112.9	146.3	87.7	95.7	92.9	71.0	105.9
IV	114.5	169.0	90.0	94.0	91.8	72.7	108.2
1970 3/ I	111.8	129.1	89.6	91.5	89.4	71.5	102.8
II	111.0	143.1	87.1	97.2	93.8	63.0	104.8
III	114.5	148.2	88.6	94.9	92.1	69.1	106.5
IV	119.3	169.2	91.5	93.1	90.5	68.3	110.0

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968.
2/ Excludes fish and honey.
3/ Preliminary.

peak in the second quarter. However, these levels will probably be below those of like periods this year.

During 1971, the per capita consumption of edible fats and oils is expected to total near the 53.3 pounds now estimated for 1970. Butter and lard consumption will continue downward. The expected decline in lard is attributed to smaller quantities used directly, as the use in margarine and shortening could increase some. Small increases in the use of margarine, shortening, and cooking and salad oils are expected.

Per capita use of citrus fruit, both fresh and processed, will increase next year if the forecast of a large orange crop materializes. Proportions of the new crop used fresh and in processed form are uncertain. Apple consumption probably will increase again in 1971 following another large crop this year. Other fruits are not expected to show much change.

The fall potato crop is 4 percent higher than a year ago, but much of this increase will likely be absorbed by increased processing. Supplies of most fresh vegetables are also larger. Lettuce harvest, which was interrupted in September by a labor dispute, has resumed and supplies are now adequate though somewhat lighter than in 1969.

Supplies of the major food grains, wheat, rice and rye, are expected to continue well in excess of domestic demand, as usual. Wheat and rye supplies in 1970 are up about 3 percent and 19 percent respectively, while supplies of rice are off 3 percent from the record level of last year.

SUGAR SITUATION

Demand Is Good

Sugar deliveries to major users for the first half of this year ran 5.5 percent ahead of deliveries for the same period last year. The rate slowed greatly in the third quarter as deliveries barely exceeded last year's third quarter level. For the year, total deliveries appear likely to be up about 3.5 percent over a year ago. About one-third of this was absorbed by the population increase. The remaining two-thirds reflects the increase in per capita sugar consumption from nearly 100 pounds last year to an anticipated 102 pounds this year.

If this prospective per capita level is achieved, it will be the highest in 3 or 4 decades, except during World War II. Per capita sugar consumption remained relatively stable near 97 pounds, from 1935 to 1967 (except for the war years). Since then, per capita consumption has increased about 5 pounds.

Beginning in 1968, the increased use in manufactured foods, particularly in beverages, resulted in a 5 pound net increase by 1970. There also was a slowing of the decline in household use (table 7). The recent government ban on cyclamate use probably has played some part in the 2 pound increase this year, but the uptrend had begun in 1968, more than a year before the ban became effective.

Retail U.S. sugar prices averaged 13.2 cents per pound in September, up over 5 percent from the September 1969 level. The annual retail price this year will likely average about 4 percent above the 1969 price level, double any other increase during 1965-70. The increase in retail sugar prices was slightly less than the rise in raw sugar prices (New York Spot). Retail price increases lagged behind raw price rises in the U.S. particularly in 1967 and 1968 (table 8). Then, retail prices were increased in 1969 and were further boosted this year.

COCOA AND CHOCOLATE SITUATION

Cocoa Prices Down, Chocolate Prices Firm

Prices of cocoa beans in 1970 have been running 15 to 25 percent below those of a year ago as supplies have increased over the extremely low levels of last year. Cocoa bean prices in August and September averaged 38 cents per pound up from 32 cents in July and then declined to 36 cents per pound in October. Prices for the remainder of 1970 are expected to remain firm. The Foreign Agricultural Service's October forecast of 1.39 million metric tons of cocoa beans for the 1970/71 world crop anticipates a 2.3 percent decline from last year's level, but this would still be the third largest on record.

COFFEE SITUATION

The realization that the 1970/71 coffee crop would likely be reduced because of the frost in Brazil last year caused coffee prices to increase several months before this year's harvesting period began just before mid-year. Current estimates indicate that the world crop will total 13 percent less than in 1969/70. Wholesale prices of green coffee began to rise in the last quarter of 1969 and the first quarter of 1970, with the increases slowing

Table 7.--Refined sugar consumption: A comparison of consumption by type of use, 1960, and 1965-70

Calendar year	Commercial use: Beverages 1/	Commercial use: Prepared foods 2/	Household use 3/	Other use 4/	Total consumption
			- - - Pounds - - -		
Per capita use 5/					
1960	12.8	36.6	31.9	16.3	97.6
1965	16.1	39.3	27.5	13.5	96.4
1966	17.2	40.4	26.6	13.2	97.4
1967	18.6	41.7	26.0	10.8	97.1
1968	19.6	42.1	25.1	13.0	99.8
1969	20.9	42.9	24.8	11.3	99.9
1970 6/	21.3	42.6	24.4	13.9	102.2
			- - - 1965=100 - - -		
Index					
1960	79.5	93.1	116.0	120.7	101.2
1965	100.0	100.0	100.0	100.0	100.0
1966	106.8	102.8	96.7	97.8	101.0
1967	115.5	106.1	94.5	80.0	100.7
1968	121.7	107.1	91.3	96.3	103.5
1969	129.8	109.2	90.2	83.7	103.6
1970 6/	132.3	108.4	88.7	103.0	106.0

1/ Largely in soft drinks and fountain sirups. 2/ Cereal and bakery products, confectionery products, dairy products, processed foods (largely processed fruits and vegetables) and other reported use. 3/ Consumer size packages (less than 50 pound). 4/ Residual: Institutional use, government use, and purchases from wholesalers by commercial users, and balancing item. 5/ Per capita use trends are smoothed by using a three-year moving average. 6/ Fiscal year basis for component uses--last half of 1969 and first half of 1970. Fiscal year data appears a good estimate of prospective calendar year component uses.

Table 8.--Sugar prices: A comparison of raw and U.S. average retail sugar prices for 1965-70

Calendar year	Retail prices 1/: Price level	Retail prices 1/: Annual change: Relative	Retail prices 1/: Annual change: Actual	Raw prices 2/: Price level	Raw prices 2/: Annual change: Relative	Raw prices 2/: Annual change: Actual
	¢/lb.	Pct.	¢/lb.	¢/lb.	Pct.	¢/lb.
1965	11.80	---	---	6.75	---	---
1966	12.04	2.04	0.24	6.99	3.56	0.24
1967	12.10	.50	.06	7.28	4.15	.29
1968	12.18	.66	.08	7.52	3.30	.24
1960	12.40	1.81	.22	7.75	3.06	.23
1970*	12.93	4.27	.53	8.10	4.52	.35

1/ 5-pound package of sugar -- BLS data.
2/ New York Spot Raw -- New York Coffee and Sugar Exchange.

* October estimates based on 9 months of reported data.

significantly after that. The price increases in green coffees have been particularly concentrated in Brazilian coffees, although other coffee prices have also increased significantly.

While green coffee prices took off in the last quarter of 1969, retail prices did not begin to rise much until the beginning of this year. These prices continued upward although the pace has slackened slightly in the second half. Green coffee prices in the first half of 1971 appear likely to remain near current levels, though retail coffee prices may rise somewhat further. The direction that coffee prices take next year will depend mostly on the size of the 1971/72 crop and the first official crop estimate will not be available until late next July.

Per capita coffee consumption is expected to total about 14.0 pounds this year (green bean equivalent), down slightly from a year ago. Higher retail prices among other factors have discouraged consumption. Declining coffee consumption among teenagers and young adults, 15 to 24, increasing cup yields per pound of roasted coffee, and higher extraction rates for instant coffee are all contributing to a long-term decline in coffee consumption (green bean basis). Coffee consumption next year may average about the same as or a little lower than this year, depending on the size of the crop in the new year and the resulting prices of beans.

FISHERY PRODUCTS SITUATION[2]

Except for a few species such as sea scallops and king crab, fish and shellfish supplies have been generally adequate for trade needs in the first 3 quarters of 1970. For some species of finfish, liberal supplies have been available.

Consumption of fishery products will increase again this year on both a total and per capita basis. Prices have averaged higher than a year ago at all levels indicating a strong demand for fishery products in general. Higher prices have attracted considerable imports, and supplies of many frozen products will be heavier than a year ago for the rest of 1970.

Catches of major New England food fish (flounders, cod, haddock, and ocean perch) are running about 10 percent below last year, which means consumption of fresh fillets of these species is down by a similar percentage. Prices of fresh fillets are up considerably this year and are expected to remain above year-earlier levels through the winter. Supplies of fresh fillets will be seasonally low throughout the winter.

Supplies of frozen fish fillets have been heavy all year and consumption has increased sharply for major New England species. First quarter consumption advanced 17 percent over a year earlier and second quarter consumption was up 11 percent. Leading the increase was frozen cod fillets. Use of frozen fillets shows little sign of easing despite mostly firm or rising prices. Wholesale prices of frozen ocean perch fillets have been averaging 25 to 30 percent higher than a year ago. Haddock fillets have been 4 to 6 percent above 1969. Wholesale prices of frozen flounder fillets have weakened in recent months because of abundant supplies.

Inventories of frozen fillets at the start of the fourth quarter were a fourth higher than last year with much larger stocks of flounder and ocean perch. Stocks of cod fillets were down considerably from last year. Prices of frozen fillets rise seasonally in the winter. Heavy stocks may offset some of the seasonal increase. However, domestic catches of haddock will be small so that some substitution of other frozen fillets for haddock is expected.

Production of the popular fish sticks and fish portions was 10 percent above a year earlier in the first half of 1970. Consumption of fish sticks and portions was about 8 percent above the first half of last year. Consumption was up despite higher prices, especially for cod sticks and portions.

Supplies of canned tuna are running a little heavier than a year ago. Domestic production of canned tuna in oil has been higher, while imports of canned tuna in brine are running less than last year. Retail prices of canned tuna are averaging 11 percent above last year. Higher prices are the result of rising costs of raw tuna and a strong consumer demand.

Supplies of canned salmon will be greater during this winter than last year, and prices of canned salmon are running below a year earlier.

Shrimp supplies have been relatively heavy all year and consumption has increased. Shrimp will be abundant for the rest of 1970, and wholesale prices likely will average lower than a year ago. Oysters are also expected to be a little more plentiful than during last winter. Supplies of most other shellfish are lighter than last year, and firm to strengthening prices are in prospect for the fourth quarter. Wholesale prices of most species of fish will increase at least seasonally in the early months of 1971. They are expected to continue well above year-earlier levels as they have throughout 1970.

[2] Prepared by Donald R. Whitaker, Current Economic Analysis Division, U.S. Department of Commerce, National Marine Fisheries Service (formerly the Fish and Wildlife Service in the U.S. Department of the Interior).

USDA DOMESTIC FOOD PROGRAMS[3]

Needy Family Programs

Over a million additional needy persons in families were brought under USDA food programs in 1969. Food stamp participants (persons) averaged 3.3 million per month in 1969 up from 2.5 million the previous year. And the number of U.S. participants in the family commodity donation program also increased—from an average of 2.9 million in 1968 to 3.2 million persons per month last year. In addition, commodity distribution to families reached over half a million persons in U.S. Territories, about the same as in 1968.

Data available through August indicate an accelerated advance in the food stamp program this year. Monthly participation increased from 3.5 million in fourth quarter 1969 to 4.4 million in first quarter 1970, then to 6.1 million in second quarter, and to 7.2 million in August. Increased participation was stimulated by the more liberal bonus allowances this year, as well as a concerted effort by government officials to encourage greater participation by eligibles. The average monthly bonus per person in August 1970 was $14.04, compared with $6.71 in 1969 and $6.57 in 1968.

Bonus coupons—those not paid for by the recipient—this year represent close to 60 percent of the value of total coupons issued; in 1968 and 1969 they averaged only 38 percent. While the average number of participants was up 80 percent in the first 8 months of 1970 over the same period last year, total value of coupons issued, at $1,054 million, was more than double, and bonus coupons of $610 million were 3½ times larger than in the January-August period of 1969.

Participation in the family donation program has been greater than last year, with 3.3 million persons on the rolls in August compared with 2.8 million in the same month last year.

Commodity Donations

USDA commodity donations to schools, institutions, and needy families in the United States last year totaled 2.2 billion pounds, up 17 percent from 1968 (table 9). Three-fourths of the increase went to needy families, boosting their share of all commodities donated close to the 50 percent mark. These donations to needy families increased over a fourth and schools received 10 percent more food than in 1968. Institutions received 14 percent less food and their share of total donations declined from 7 percent in 1968 to 5 percent last year.

The equivalent retail value of foods donated (in constant dollars) rose 19 percent, slightly more than the increase in volume—indicating a shift from lower- to higher-priced items. For example, reduced poultry donations with small unit values, together with the greatly expanded red meat donations with large unit values, resulted in a nearly one-third increase in the retail value for meat and poultry while their total poundage was up less than 15 percent. Other important shifts were the greatly expanded donation of fruits, vegetables, and eggs and a relatively small increase for cereal products.

The level of commodity donations in 1969 represented nearly 1.1 percent of all food consumed by U.S. civilians as compared with 0.9 percent in the previous year. The contribution of donations to the total consumed increased for both livestock products and crop food, with livestock products increasing from 1.0 percent in 1968 to 1.2 percent and crop foods from 0.8 to 1.0 percent.

In calendar year 1969 meat and poultry donations totaled 14 percent larger than a year earlier, with increases for red meats more than making up for substantial decreases for chicken and turkey. Both beef and pork donations were up sharply. In addition, donations of chopped meat remained near the 63 million pound level of the previous year.

Donations of scrambled egg mix, initially distributed to needy families in 1968, but with expanded distribution in 1969, accounted for the increase in donated eggs. Dairy product donations increased 14 percent with butter accounting for much of the increase. Evaporated milk donations nearly tripled and cheese donations fell 15 million pounds from 1968 levels.

Record quantities of canned and dried fruits were donated in 1969 with about 50 percent more being distributed than a year earlier. However, donations of frozen orange concentrate, used by schools and institutions, dropped to 6 million pounds from 33 million in 1968.

Canned vegetable donations increased from 111 million pounds in 1968 to 197 million in 1969. Dry bean donations increased 24 million pounds, far outweighing the small decline for dry peas. Donations of dehydrated potato flakes nearly doubled in 1969 while fresh potato donations were eliminated. Distribution of dehydrated sweetpotatoes was down sharply, but was at least partly offset by more canned sweetpotatoes.

Donations of grain products were slightly larger in 1969 but nearly a fourth under the levels prevailing in the early 1960's. They still represent the largest group of donated foods. Compared with 1968, increases for oatmeal, rice and wheat flour donations more than offset declines for other items. Farina and macaroni were added to the list in 1969.

Donations to Needy Families.—Three-fourths of the substantial increase in total food commodity donations in 1969 went to needy families, including those in U.S.

[3] Prepared by Helen Eklund, Food Consumption Section, ERS.

Table 9.--USDA domestic donations of commodities to schools, institutions, and needy persons, 1962-69 1/

Item	1962	1963	1964	1965	1966	1967	1968	1969
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat								
Beef	41.0	26.8	196.9	201.0	53.1	100.0	73.2	91.1
Pork	31.1	28.1	20.4	.1	---	---	11.2	57.7
Lamb	.1	---	---	---	---	---	---	---
Mixtures	143.0	122.8	63.0	35.5	51.0	83.0	63.4	61.6
Total	215.2	177.7	280.3	236.6	104.1	183.0	147.8	210.4
Poultry								
Turkey	42.7	47.6	56.4	39.6	20.2	61.2	53.8	42.7
Poultry, other	41.9	55.9	53.9	33.9	45.1	51.0	73.1	59.0
Total	84.6	103.5	110.3	73.5	65.3	112.2	126.9	101.7
Eggs 2/	10.3	8.8	16.7	2.8	---	2.1	9.1	13.7
Dairy products								
Butter	160.7	169.0	179.9	132.9	50.9	108.4	141.3	166.4
Cheese	143.6	129.6	133.4	82.0	4.6	81.2	105.2	89.5
Nonfat dry milk	179.0	165.1	153.0	147.9	127.1	108.4	107.9	111.4
Evaporated milk	---	---	---	---	---	---	23.3	62.4
Milk, instant fortified	---	---	---	---	---	---	---	.2
Milk, beverage mix	---	---	---	---	---	---	.1	1.9
Total	483.3	463.7	466.3	362.8	182.6	298.0	377.8	431.8
Fats and oils								
Lard and shortening	97.3	96.1	91.5	89.2	90.0	78.9	77.5	76.1
Margarine	---	---	---	31.6	44.5	24.4	3.5	---
Fruits								
Fresh	16.2	26.9	26.1	9.1	---	18.4	5.1	4.8
Canned (including juice)	87.6	66.0	103.1	94.0	88.4	78.7	113.2	184.2
Dried	10.5	---	1.4	1.0	38.7	35.4	29.4	41.4
Frozen	---	---	---	4.0	4.7	109.1	32.7	5.8
Total	114.3	92.9	130.6	108.1	131.8	241.6	180.4	236.2
Vegetables								
Fresh	---	---	---	---	.5	---	---	---
Canned (including juice)	74.9	86.1	89.2	50.9	48.9	48.9	111.4	197.0
Dried beans and peas	141.0	114.4	106.0	81.2	37.8	83.5	65.5	81.2
Total	215.9	200.5	195.2	132.1	87.2	132.4	176.9	278.2
Potatoes and sweetpotatoes	38.1	25.6	---	9.4	24.2	14.7	40.4	47.5
Cereal products								
Bulgur	---	2.2	4.4	4.9	4.9	5.1	5.1	4.7
Cornmeal and grits	179.5	155.3	158.3	151.0	141.6	113.4	112.2	107.8
Oats (rolled)	1.5	---	---	---	.6	28.7	26.1	32.6
Rice	122.9	125.1	104.2	95.8	87.6	70.1	74.6	81.9
Wheat flour	505.7	466.6	482.6	482.9	445.2	399.0	409.6	430.6
Wheat (rolled)	80.2	65.4	57.6	51.5	43.6	21.6	21.6	17.9
Farina and macaroni	---	---	---	---	---	---	---	1.4
Total	889.8	814.6	807.1	786.1	723.5	637.9	649.2	676.9
Other 3/	41.0	37.5	44.6	42.3	42.9	37.1	52.5	87.2
Total all commodities	2,189.8	2,020.9	2,142.6	1,874.5	1,496.1	1,762.3	1,842.9	2,159.7
Percentage of U.S. total consumption	1.0	1.0	1.1	1.0	.6	.9	.9	1.1

1/ Includes commodities distributed under the National School Lunch Program; excludes distribution to U.S. Territories. Data are in terms of product weight so for some items are not comparable over time.

2/ Shell eggs and dried, beginning 1968 includes scrambled egg mix.

3/ Includes olive oil, peanut butter, corn sirup, and minor amounts of other items.

Territories.[4] Needy families received 1.1 billion pounds of food in 1969 compared with 0.9 billion a year earlier. There were large increases for all major food groups except cereal products, dry beans and peas, and fats and oils.

Total pounds of food donated per participant in the needy family donation program increased a fifth as shown below:

Commodity	1968	1969
	Pounds	
Meat	20	28
Canned poultry	4	8
Scrambled egg mix	3	4
Dairy products, excluding butter	44	56
Fruits and vegetables (canned and dried)	27	48
Potato flakes	5	9
Dry beans and peas	17	16
Peanut butter	7	8
Butter/margarine	10	12
Lard/shortening	11	10
Flour and cereals	104	96
Corn sirup	4	11
Total	256	306

The quantity of meat and poultry products donated to needy families totaled over half again larger than in 1968. In addition to 65 million pounds of chopped meat, nearly the same as was donated in 1968, they received 20 million pounds of canned beef and 16 million pounds of canned pork in 1969. Though chicken donations dropped a third, the 23 million pounds of canned boned turkey added in 1969 resulted in total poultry donations 2½ times larger than in 1968.

While total donations of cheese were reduced in 1969, needy families (including those in Territories) received more—51 million pounds as compared to 44 million in 1968. They also got two-fifths more butter, and despite gains exclusively for the needy family program in evaporated milk, milk beverage mix, and instant fortified nonfat dried milk, donations of nonfat dry milk remained close to 1968 levels.

Gains for needy families in other high-protein foods included increases for scrambled egg mix and peanut butter. Dry beans, peas, and lentils remained close to the 60 million pound level of a year earlier.

Twice as much canned fruit and vegetables and a third more dried fruits were donated to needy families in 1969 than a year earlier. Dried prunes nearly doubled and in 1969 made up close to 40 percent of the dried fruit donated. Raisins accounted for the remainder. The 3 canned fruit items distributed in 1968, apricot nectar, grape juice and prune juice, totaled 30½ million pounds. While relatively small donations of those items were continued and apple juice was added in 1969, nearly three-fourths of the 61-million pound total donation of canned fruit consisted of grapefruit juice and almost a fifth was canned peaches.

Tomato juice alone represented over half of the total canned vegetables donated to families in both years. But somewhat more variety was afforded in 1969 when total tomato products dropped from two-thirds to about half of the total donation.

Canned vegetables donated to needy families	1968	1969
	Million pounds	
Beans, green	7.7	18.1
Corn	---	5.8
Peas	4.0	13.7
Tomatoes	5.8	.3
Tomato juice	20.1	42.7
Total	37.6	80.6

Butter donations to families at 43 million pounds were a fourth larger than the total table spread distributed the previous year. Margarine donations which had amounted to 3½-million pounds in 1968 were negligible in 1969. There was little change in the shortening donation.

Small decreases in donations of cornmeal and grits, rolled wheat, and bulgar to needy families slightly more than offset increases for wheat flour and oatmeal, resulting in a 1 percent decline overall for grain products.

Donations to Schools.—Food donated to schools, including those in Territories, was up 10 percent in 1969 over a year earlier. Major increases were for red meats, canned fruits and vegetables, and grain products. Supplemental foods—items needed to supply a varied and nutritious lunch—were increased nearly a fourth from high levels a year earlier and comprised close to a third of the total donations to schools in 1969.

Meat and poultry donations combined were a little under those in 1968. Meat donations were up 30 million pounds due to heavier donations of pork, to total 117 million pounds. And poultry donations were down 40 million pounds, largely because of reductions for turkey.

Schools received 132 million pounds of canned vegetables and 127 million pounds of canned fruit in 1969 compared with donations of under 80 million each in the previous year. More dried fruits were also donated. However, the large increases for canned and dried fruits were somewhat counterbalanced by a reduction from 26 to 5 million pounds for frozen concentrated orange juice, and negligible donations of canned fruit juice compared with 12 million pounds a year earlier.

[4] All data discussed for specific programs include quantities donated to Territories as well as to States. About 15 percent of the needy family participants live in these Territories.

Other Food Programs

Under the **National School Lunch Program** lunches were served to over 20 million children in about 75 thousand schools during fiscal year 1969. Lunches served free or at reduced prices accounted for 15 percent of the total. Doubling of Special Assistance funds from $5 to $10 million enabled extension of the program into more low-income school districts which were previously unable to take advantage of the school lunch program. In these districts needy children may account for as much as 90 percent of the total enrollment. Through special assistance provisions in the program over 61 percent of the 167 million meals served in FY-1969 were free or at reduced prices, compared with 56 percent in the preceding year. The total Federal cost was 6 cents per meal overall and about 16 cents under the Special Assistance Program.

The **Breakfast Program** completed its second full fiscal year of operation in June 1969. It reached about 4½ percent of schools participating in the School Lunch Program and over 1 percent of all meals served in schools were breakfasts. During FY-1969 about 330 thousand children[5] in 3,325 schools were served 39.7 million breakfasts, of which 71 percent were free or at reduced prices. Federal cost was about 13.6 cents per breakfast.

The **Special Milk Program** provides additional half-pints of milk, for a few pennies each, to millions of children in schools and child-care institutions. Nearly 3 billion half-pints of milk were served in FY-1969, down 91 million from a year earlier.

The **Special Food Service Program,** initiated in September 1968, was designed to provide nutritious meals in non-school service institutions for preschool and Head Start children on a year-round basis and to provide for school children during school vacation. During FY-1969 almost 40,000 children participated on a year-round basis and an additional 100,000 participated during the summer. These children were fed almost 10.3 million meals in over 2,000 institutional outlets. Over 80 percent of the meals were served free or at reduced prices. Federal cost averaged 14.8 cents per meal.

The **Nonfood Assistance Program** assists schools, when local resources are not sufficient, in providing equipment needed to establish, maintain, and expand school food service. During FY-1969 the Department of Agriculture provided almost $10.4 million to 5,727 schools having an average daily attendance of 3.3 million children.

The **Supplemental Feeding Program,** initiated in November 1968, provides needy pregnant women, mothers with children under 1 year of age, and needy children under 6 years of age with a variety of donated foods specially designed to meet the nutritional needs of this special group. The average recipient received about 31 pounds of food valued at a cost of $6.11 per person per month in FY-1969.

FOOD SUPPLY AND UTILIZATION

Annual Utilization of Farm Food Commodities Up Slightly

The prospective total annual utilization of farm food commodities this calendar year is up 2 percent over the 1969 level, with about half of this gain reflecting the 1 percent growth in population (table 10). Use of all commodities for civilian food use is up 1.6 percent, slightly more than the population increase. Military purchases are running 2.3 percent higher than in 1969 when they had declined 15 percent. Exports of food commodities are running 6.5 percent ahead of last year's level, and imports are 5.2 percent higher.

Use of livestock commodities for civilian food use is up 2.2 percent this year, though exports will likely be down slightly. Military purchases of livestock products and nonfood uses are expected to increase slightly.

Use of crop food commodities for civilian food use now appears likely to equal last year's level, but feed use is expected to decline fractionally. Military crop food purchases are expected to be up moderately, partly to restore stock levels in line with the levels of last year, particularly for crop products which tend to keep better than livestock commodities.

Imports of crop food commodities this year are running about 4 percent ahead of last year while imports of livestock commodities are expected to be up about 8.5 percent. However, crop commodities account for more than half of the total increase in imports.

Recent Changes in All Farm Commodities

Prospective net production of all farm commodities including nonfood products will likely decline fractionally this year, while overall stock levels on January 1, 1971, are expected to be slightly lower than last January 1. Net utilization of total farm commodities (including exports and stock changes) this year is expected to be up a little from 1969, with the increase coming largely from the livestock sector, though the crop sector is also expected to increase slightly.

In total about 14 percent of the domestic utilization of all farm commodities (total net utilization minus exports) is being imported this year, up from 12.6 percent in 1969. Similarly, the importance of exports as

[5] Daily average in the peak participating month.

Table 10.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1964 to date 1/

Year	Supply			Total annual utilization	Utilization					
					Domestic use					Exports and shipments 4/
					Food		Nonfood		Total	
	Production	Imports 2/	Stocks 3/		Civilian	Military	Seed and feed	Other		
	A.--All food commodities indexes: (1957-59=100) 5/									
1964	110.9	102.6	119.5	118.0	112.1	113.3	---	104.4	111.8	181.4
1965	116.1	101.4	108.8	117.4	112.1	127.6	---	108.4	112.3	170.3
1966	114.4	109.7	110.0	120.4	114.0	136.2	---	110.2	114.3	183.4
1967	123.8	110.2	102.9	121.9	117.8	140.9	---	105.5	117.8	164.5
1968	124.1	123.0	112.2	124.5	120.7	138.0	---	107.2	120.5	165.3
1969 6/	124.5	111.4	119.8	125.0	122.7	117.3	---	108.9	122.2	154.1
1970 6/	123.4	117.2	123.9	127.5	124.7	120.0	---	105.3	123.9	164.1
	Livestock food commodities (1957-59=100)									
1964	114.4	137.9	133.6	115.6	114.4	112.8	98.5	94.5	111.8	192.1
1965	112.5	130.1	106.5	113.2	113.4	124.1	94.7	93.6	111.0	132.6
1966	114.6	172.5	88.3	115.2	116.1	132.8	100.1	87.4	113.7	104.7
1967	118.5	181.7	102.4	118.7	120.0	143.8	88.1	90.9	117.2	106.6
1968	119.2	198.9	131.9	121.2	122.6	143.5	85.1	93.6	119.6	113.3
1969 6/	119.6	207.2	114.7	121.8	123.6	122.4	87.5	92.7	120.1	114.4
1970 6/	122.6	224.9	99.1	124.3	126.4	123.8	88.5	90.9	122.7	111.6
	Crop food commodities (1957-59=100)									
1964	106.0	97.1	118.8	117.6	107.2	114.8	110.5	110.3	108.7	178.9
1965	117.5	96.7	108.9	118.7	109.4	135.9	109.2	117.4	109.9	179.1
1966	118.1	100.2	111.1	127.5	109.6	148.0	125.4	124.0	116.7	201.9
1967	128.0	99.7	102.9	123.8	113.0	130.9	119.9	114.3	115.9	178.1
1968	130.0	111.7	111.2	127.4	116.4	118.8	125.8	115.4	120.1	177.5
1969 6/	132.5	97.8	120.1	129.8	120.9	99.7	131.9	118.6	124.9	163.5
1970 6/	126.2	101.9	125.2	131.0	120.9	106.7	130.7	113.9	124.3	176.4
	B.--All food commodities: Percentage of annual utilization 5/									
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969 6/	91.2	10.2	-1.4	100.0	84.8	1.5	---	2.8	89.1	10.9
1970 6/	88.7	10.5	.8	100.0	84.4	1.5	---	2.7	88.6	11.4
	Livestock food commodities: Percentage of annual utilization									
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969 6/	96.0	3.6	.4	100.0	92.2	1.9	2.0	1.4	97.5	2.5
1970 6/	96.3	3.9	-.2	100.0	92.4	1.9	2.0	1.4	97.7	2.3
	Crop food commodities: Percentage of annual utilization									
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969 6/	89.3	13.6	-2.9	100.0	45.5	.5	34.7	3.2	83.9	16.1
1970 6/	84.3	14.1	1.6	100.0	45.1	.5	34.1	3.1	82.8	17.2

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities and comparable data for 1950-63, see National Food Situation, NFS-124 (May 1968), pp. 15-17. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary.

an outlet for farm production is increasing this year—up to 14.4 percent of the total domestic supply (net production plus net stock change) from 13.8 percent in 1969. During the decade of the 1960's these percentages changed relatively little.

Production Changes Are Mixed

Total net production of farm food commodities—gross production less deductions for feed and seed use to avoid double counting—is expected to decline slightly this year. Moreover, stock levels appear likely to be slightly lower this December 31 than a year ago. There will be a slight increase in the proportion of total utilization of food commodities this year coming from both the crop and livestock sectors. But the percentage increase in the livestock sector is more than double the increase in the crop sector, primarily because of lack of growth in civilian food use of food crops. However, exports, led by soybeans and its products, are up substantially over last year, helping to maintain total utilization of crop commodities.

	Imports as percentage of domestic use	Exports as percentage of domestic supply
1960	13.0	15.4
1961	13.4	15.4
1962	14.1	14.8
1963	14.0	16.1
1964	12.5	17.4
1965	12.5	16.0
1966	13.3	16.7
1967	12.8	15.4
1968	14.0	15.4
1969	12.6	13.8
1970[1]	13.0	14.4

[1] Preliminary estimate.

Output of all livestock products is expected to increase 2.5 percent over last year's level. Prospective red meat production is up slightly—about 2 percent—contributed wholly by beef and pork, while veal and lamb production is declining. Chicken and turkey production will be up substantially—8 percent—and egg production slightly. Dairy production appears likely to increase slightly, led by increased cheese production.

For the crops, production of fruit is mixed. Citrus production will be up while production of noncitrus fruit is off from a year ago. In addition, production of canned fruits, in which noncitrus fruit dominates, will be down about 10 percent, while frozen juice production, in which citrus dominates, will be up substantially this year. Production of canned vegetables this year is expected to be the same or lower while production of fresh vegetables will total higher than last year's level. Frozen vegetable production will decline more than 3 percent. Total potato production is expected to increase modestly, though production of frozen potatoes likely will be up substantially.

For the grains, wheat, rice and corn production are all expected to be down significantly from last year. The decline in corn output is due partly to the recent blight, but for wheat and rice the decreases mostly are due to reduced acreages. The peanut crop is substantially larger than last year. Sugar cane production is up quite a bit and although sugar beet production is expected to decline from last year's level, its recovery rate—pounds of sugar per ton of beets—is expected to rise considerably from last year's low level caused by an early freeze. Thus, beet sugar production is also expected to exceed last year's output.

Imports of the major tropical commodities such as cane sugar, coffee, cocoa and chocolate, and bananas are all expected to exceed last year's level.

Output To Increase

Output of food commodities is expected to increase next year due largely to prospects for gains in production of crop products. There will likely also be some increase in imports. Exports and civilian food use are expected to increase, boosting total utilization slightly. For livestock commodities, production of beef, pork, chicken, turkey, eggs, milk, cheese and frozen desserts will likely be somewhat larger next year. Downtrends in production of butter and lard likely will level off.

Food crop output for next year largely depends on next year's planted acreage and average yields, greatly related to weather conditions. Next year's crop output would be expected to exceed this year's output in line with the gradual uptrend. Corn output, however, is uncertain. In addition to uncertainty about the acreage that farmers intend to plant, there is a limited supply of seed corn as well as considerable uncertainty about the corn blight in next year's growing season. Carryover stocks of corn will be sharply reduced in the 1970/71 feed year, but total feed supplies likely will be adequate to maintain a high level of livestock output.

CHART SLIDES AVAILABLE

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NUTRITIONAL REVIEW

By

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ABSTRACT: Nutrient levels for 1971 indicate per capita food energy (calories), fat, and thiamin will increase slightly from 1970 levels because of use of more meat. Calcium will be a little lower because of less fluid whole milk consumption. Vitamin A value will decline because of the smaller quantities of fluid whole milk and sweetpotatoes. Total calories are lower now than in 1909-13, with a higher proportion provided by fat, a smaller proportion by carbohydrate, and about the same proportion by protein. Use of saturated fatty acids is about one-tenth higher now than in 1909-13. Oleic acid is one-fifth higher and linoleic acid more than double. Starch and sugars now contribute about equal amounts of total carbohydrate, compared with two-thirds and one-third respectively in 1909-13. Animal products now contribute two-thirds of the protein compared with one-half in 1909-13.

Key Words: Food supply, diet, food consumption, human nutrition, food economics.

Outlook for 1971

The nutritional outlook for 1971 indicates that per capita calories and fat will increase slightly, chiefly because of an expected increase in use of meat, especially pork. Higher pork consumption will also raise the level for thiamin a little.

A continuation of the decline in use of fluid whole milk will result in reduced amounts of calcium and contribute to a lower level for vitamin A value. However, the expected smaller supplies of sweetpotatoes will chiefly account for the lower vitamin A value.

The forecast for slightly higher calories and fat and for less calcium is a continuation of some of the trends discussed in this article.

Situation in 1970

Nutrient levels for 1970 in the national food supply vary no more than 1 percent from those for 1969. Food energy (calories) increased fractionally along with quantities for each of six nutrients—protein, fat, iron, niacin, vitamins B_6 and B_{12} (table 11). Use of more beef, poultry, salad and cooking oils, and sugar accounts for these increases. Calcium and phosphorus levels decreased, reflecting declines in use of fluid whole milk, evaporated milk and nonfat dry milk. The increase in use of low-fat fluid milks has not been large enough to keep the calcium and phosphorus levels from declining.

Trends in Nutrient Levels

Generally, the nutritive value of the national food supply changes little from year to year. Over a period of years, however, trends in nutrient levels begin to emerge. Changes in nutrient levels since 1957-59 are shown in table 11.

Food energy is now 5 percent higher than in 1957-59 chiefly because of greater consumption of meat, poultry, fats and oils, sugar, and corn sweeteners. Most of this increase in food energy occurred within the past 3 or 4 years following a relatively stable period dating back to 1951.

Since 1957-59 the level for nutrient fat increased 12 grams per capita per day; two-thirds of this increase occurred since 1966. It is not likely, however, that all of the fat that is in the food supply is eaten. No estimate is available, for example, on how much fat is trimmed from meats or discarded after cooking.

Protein and iron are now near record levels in the national food supply. Beginning with the mid-1960's the protein and iron levels increased. This increase is largely attributable to an increase of one-third in use of beef. Today beef contributes 18 percent of the total protein and 15 percent of the total iron.

Several of the B-vitamins, namely niacin, vitamin B_6 and vitamin B_{12}, are now at higher levels than a decade ago because of increased use of meat and poultry. Poultry consumption, which is now half again as much

Table 11.—Nutrients available for civilian consumption, per capita per day, selected periods[1]

Nutrient	Unit	Average 1957-59	1967	1968	1969	1970 preliminary	1970 as a percentage of		
							1957-59	1968	1969
Food energy	Cal.	3,140	3,210	3,260	3,270	3,290	105	101	101
Protein	Gm.	95	98	99	99	100	105	101	101
Fat	Gm.	143	150	154	154	155	108	101	101
Carbohydrate	Gm.	374	373	378	380	381	102	101	100
Calcium	Gm.	.98	.94	.95	.94	.93	95	98	99
Phosphorus	Gm.	1.51	1.52	1.53	1.53	1.52	101	99	99
Iron	Mg.	16.1	16.9	17.1	17.1	17.2	107	101	101
Magnesium	Mg.	348	344	346	345	344	99	99	100
Vitamin A value	I.U.	8,000	7,700	7,900	7,800	7,800	98	99	100
Thiamin	Mg.	1.84	1.83	1.84	1.84	1.84	100	100	100
Riboflavin	Mg.	2.28	2.27	2.28	2.27	2.26	99	99	100
Niacin	Mg.	20.6	22.1	22.4	22.4	22.6	110	101	101
Vitamin B_6	Mg.	2.01	2.13	2.15	2.17	2.19	109	102	101
Vitamin B_{12}	Mcg.	8.9	9.4	9.5	9.5	9.6	108	101	101
Ascorbic acid	Mg.	105	108	106	108	108	103	102	100

[1] Data computed by Consumer and Food Economics Research Division, ARS on the basis of estimates of per capita consumption (retail basis), including estimates of produce of rural and urban home gardens, supplied by the Economic and Statistical Analysis Division, ERS. No deduction has been made in nutrient estimates for loss or waste of food in households or for destruction or loss of nutrients during the preparation of food. Data include quantities of iron, thiamin, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.

as in 1957-59, accounts for the major portion of the 10 percent increase in niacin. Increased consumption of meat has raised levels for vitamin B_6 and vitamin B_{12}. Currently the meat, poultry, fish group accounts for 47 percent of the total vitamin B_6 and 70 percent of the total vitamin B_{12}.

Riboflavin, another B-vitamin, shows little change in the past 10 years or so. The increase in meat consumption compensated for smaller contributions from dairy products.

Calcium has declined appreciably, 5 percent since 1957-59. This is a result of the drop in fluid whole milk consumption, which began in the mid 1950's. An increase in use of low-fat fluid milks, now more than double the 1957-59 average, partly offsets the decrease in use of whole milk.

In recent years the level for magnesium has been fairly stable. Since 1957-59 magnesium has declined only 1 percent, reflecting less consumption of dairy and grain products.

The levels for vitamin A value and ascorbic acid are now 98 and 103 percent of their respective 1957-59 levels. Use of smaller quantities of dark-green and deep yellow vegetables, particularly sweetpotatoes, accounts for the lower vitamin A value. Consumption of more citrus fruit accounts for the higher ascorbic acid level.

Sources of Food Energy

Sixty-year trends in levels for food energy and the energy-yielding nutrients—protein, fat, and carbohydrate—are shown in figures 4 and 5.

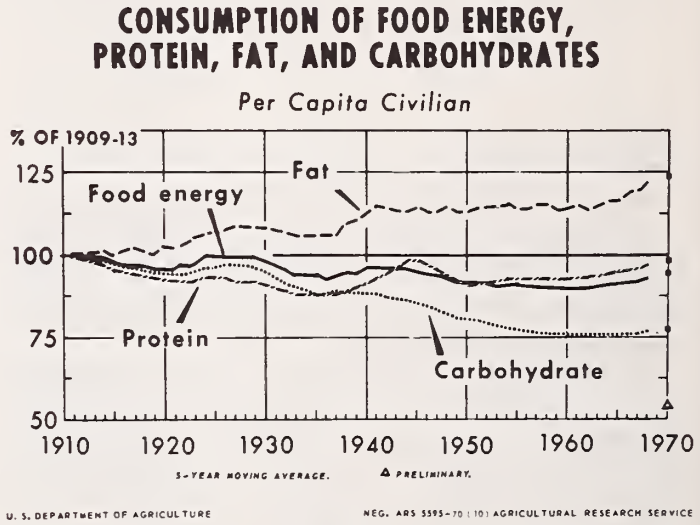

Figure 4

In 1909-13 food energy totaled 3,490 calories per capita per day, protein 102 grams, fat 125 grams, and carbohydrate 492 grams. Total food energy is currently 94 percent of the 1909-13 level; protein is 98 percent. Considerably larger shifts have occurred for fat which has increased 24 percent and carbohydrate which has decreased 23 percent since 1909-13 (fig. 4). As a result of these changes, carbohydrate now accounts for 46 percent of total food energy compared with 56 percent in 1909-13, and fat for 42 percent now compared to 32 percent 60 years ago (fig. 5).

The total protein level has shown little fluctuation over the years. Moreover, the proportion of calories provided by protein has remained relatively constant at 11 to 12 percent. However, an important shift has

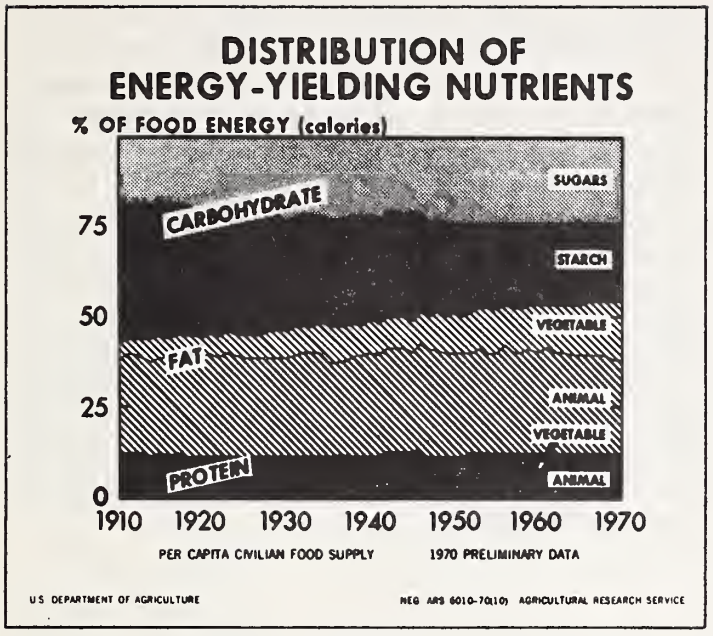

Figure 5

occurred in protein sources. Two-thirds of today's protein comes from animal sources compared to one-half 60 years ago.

The large increase of nutrient fat in the national food supply is due mainly to the use of more vegetable fats—margarine, shortening, and salad and cooking oils. The per capita amount provided by animal fats has actually decreased because the large decreases in consumption of butter and lard were only partly offset by increases in fat associated with greater consumption of meats. Despite the decrease in consumption of animal fats, the proportion of total calories provided by such fats remains about one-fourth. Although calories from vegetable fats have increased from 5 to 16 percent since 1909-13, animal products still account for the largest share of the calories provided by fat.

Shifts in sources of fat and the increased amount of fat have changed the fatty acid content of the food supply (table 12). The amount of total saturated fatty acids is about one-tenth higher now than in 1909-13. However, they account for a smaller proportion of the total fat today than at the beginning of the century—36 percent compared with 40 percent.

Greater increases have taken place for oleic acid, a mono-unsaturated fatty acid, and for linoleic acid, a poly-unsaturated fatty acid. The amount of oleic acid is now one-fifth higher than in 1909-13. It continues to account for about 40 percent of the total fat. The amount of linoleic acid has more than doubled. Also, it now accounts for 15 percent of the total fat compared with 8 percent in 1909-13. The large increase in linoleic acid reflects the marked increase in use of salad and cooking oils.

The percent of calories provided by total saturated fatty acids has increased from 12.9 percent in 1909-13 to 15.2 percent today. During the same time the share of calories provided by oleic acid has increased from 13.3 to 17.2 percent and by linoleic acid from 2.7 to 6.2 percent.

The decrease in carbohydrate in the food supply reflects primarily the decrease in use of grain products. In 1909-13 the level for carbohydrate was 492 grams per capita per day (table 13) and consumption of grain products was 291 pounds per capita per year. Carbohydrate declined one-fourth and the use of grain products declined one-half by 1957-59. These levels have changed little since.

Table 12.—Fatty acids available per capita per day and percent of total nutrient fat accounted for by fatty acids, selected periods

Year	Fatty acids			Total nutrient fat	Share of total fat from fatty acids		
	Total saturated	Unsaturated[1]			Total saturated	Oleic acid	Linoleic acid
		Oleic acid	Linoleic acid				
	Grams	*Grams*	*Grams*	*Grams*	*Percent*	*Percent*	*Percent*
1909-13 ..	50.3	51.5	10.7	125.2	40.2	41.1	8.5
1925-29 ..	53.3	55.2	12.5	134.6	39.6	41.0	9.3
1935-39 ..	52.9	54.5	12.7	133.0	39.8	41.0	9.5
1947-49 ..	54.4	58.0	14.8	141.1	38.6	41.1	10.5
1957-59 ..	54.7	58.2	16.6	143.2	38.2	40.6	11.6
1965	53.9	58.8	19.1	144.8	37.2	40.6	13.2
1970[2]	55.5	62.8	22.8	155.2	35.8	40.5	14.7

[1] Major unsaturated fatty acids. Oleic is mono-unsaturated and linoleic is poly-unsaturated.
[2] Preliminary.

Table 13.—Carbohydrate available per capita per day and percent furnished by starch and sugars

Year	Carbohydrate	Starch	Sugars
	Grams	*Percent*	*Percent*
1909-13	492	68.3	31.7
1925-29	476	58.7	41.3
1935-39	436	56.8	43.2
1947-49	403	52.4	47.6
1957-59	374	49.6	50.4
1965	371	48.6	51.4
1970[1]	381	47.7	52.3

[1] Preliminary.

Grains and sugars provide over 70 percent of the total carbohydrate (table 14). Shifts in consumption among these foods over 60 years have affected the type of carbohydrate in the national food supply. Two-thirds of the carbohydrate was starch and one-third sugars in 1909-13. By 1957-59 both forms of carbohydrate were contributing about equally to the total amount. Over the years, the major factor in this change in the type of carbohydrate in the food supply has been the steady decline in use of starch-containing foods such as grain products and potatoes rather than change in use of sugar. Consumption of cane and beet sugar was relatively stable from 1935 through 1967 except when sugar was in short supply during World War II. Within the last few years, however, the share of carbohydrate from sugars appears to have started an upward turn as use of sugar and corn sweeteners increases and grain and potato consumption levels off.

Table 14.--Contribution of major food groups to nutrient supplies available for civilian consumption, 1957-59 average and 1970 1/

Food group	Food energy	Protein	Fat	Carbohydrate	Calcium	Phosphorus	Iron	Magnesium	Vitamin A value	Thiamin	Riboflavin	Niacin	Vitamin B_6	Vitamin B_{12}	Ascorbic acid
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1957-59 Average															
Meat (including pork fat cuts), poultry, and fish	18.2	35.7	33.0	0.1	3.2	22.0	27.1	10.9	19.9	27.4	21.2	42.3	39.8	64.9	1.1
Eggs	2.6	6.8	4.0	.1	2.8	6.8	7.1	1.6	7.3	2.8	6.5	.1	2.7	11.2	0
Dairy products, excluding butter	13.5	24.5	16.5	7.7	76.6	38.8	2.3	23.3	12.7	10.5	45.3	2.0	11.3	23.9	5.2
Fats and oils, including butter	16.0	.1	39.4	2/	.4	.2	0	.3	8.7	0	0	0	.1	0	0
Citrus fruits	.7	.4	.1	1.5	.8	.6	.8	1.7	1.1	2.1	.4	.7	1.2	0	22.1
Other fruits	2.6	.8	.3	5.6	1.3	1.3	4.4	4.4	6.9	2.2	1.8	2.3	6.9	0	10.9
Potatoes and sweetpotatoes	2.8	2.4	.1	5.3	1.0	3.9	4.3	7.2	8.3	6.4	1.9	7.6	13.6	0	20.6
Dark green and deep yellow vegetables	.3	.5	2/	.5	1.6	.7	1.9	2.3	20.7	.9	1.2	.7	2.0	0	9.2
Other vegetables, including tomatoes	2.3	3.3	.4	4.2	4.6	4.7	9.1	10.2	13.8	6.9	4.4	6.2	9.9	0	30.8
Dry beans and peas, nuts, soya flour	2.9	5.2	3.2	2.3	2.6	5.7	7.4	10.8	2/	6.0	1.9	6.3	4.7	0	2/
Flour and cereal products	21.4	19.9	1.5	37.6	3.3	13.1	28.2	18.4	.4	34.8	14.6	25.2	7.6	0	0
Sugars and other sweeteners	15.8	2/	0	34.2	.8	.2	4.3	.2	0	2/	.1	2/	.1	0	2/
Coffee and cocoa 3/	.8	.4	1.4	.7	1.1	2.0	3.0	8.6	2/	.1	.8	6.4	.1	0	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1970 5/															
Meat (including pork fat cuts), poultry, and fish	20.3	41.5	34.9	.1	3.6	26.2	30.8	13.7	23.3	29.5	25.5	47.1	47.1	70.1	1.1
Eggs	2.2	5.8	3.3	.1	2.6	6.0	6.0	1.4	6.8	2.5	5.9	.1	2.2	9.3	0
Dairy products, excluding butter	11.3	22.1	12.7	6.9	75.8	36.0	2.3	21.8	11.3	9.7	42.4	1.6	9.4	20.6	4.5
Fats and oils, including butter	17.7	.1	42.3	2/	.4	.2	0	.4	8.4	0	0	0	.1	0	0
Citrus fruits	.8	.4	.1	1.7	.8	.6	.8	1.9	1.3	2.5	.5	.8	1.1	0	24.5
Other fruits	2.4	.6	.3	5.1	1.3	1.2	3.7	4.0	6.6	2.0	1.6	1.9	5.8	0	12.0
Potatoes and sweetpotatoes	2.8	2.4	.1	5.5	1.0	4.0	4.6	7.3	5.7	6.6	1.8	7.4	12.0	0	20.3
Dark green and deep yellow vegetables	.2	.4	2/	.5	1.5	.6	1.6	2.0	20.8	.9	1.0	.6	1.7	0	8.4
Other vegetables, including tomatoes	2.4	3.2	.4	4.5	4.8	4.8	9.2	10.2	15.3	7.0	4.5	5.9	9.2	0	29.2
Dry beans and peas, nuts, soya flour	2.9	5.0	3.5	2.1	2.7	5.7	6.4	10.9	2/	5.6	1.8	6.8	4.2	0	2/
Flour and cereal products	19.8	18.1	1.4	35.8	3.4	12.6	26.6	18.1	.4	33.7	14.3	22.5	7.0	0	0
Sugars and other sweeteners	16.6	2/	0	37.1	1.1	.2	5.6	.4	0	2/	2/	2/	.1	0	2/
Coffee and cocoa 3/	.7	.4	1.2	.6	1.0	1.8	2.6	7.8	2/	.1	.7	5.2	.1	0	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Percentages were derived from nutrient data which include quantities of iron, thiamin, and riboflavin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks. 2/ Less than 0.05 percent. 3/ Chocolate liquor equivalent of cocoa beans. 4/ Components may not add to total due to rounding. 5/ Preliminary.

TEA SITUATION: TRENDS AND PROSPECTS

By

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ABSTRACT: U.S. per capita consumption of tea increased sharply from .61 pound in 1960 to .73 pound in 1969. The increase came from wider use of the more convenient tea bags, instant tea, and tea mixes. Use of loose tea declined sharply. Ceylon is the chief source of U.S. tea imports, accounting for 40 percent of the total. Tea from Africa is second but is increasing the fastest. India used to be an important supplier, but its share has declined sharply. Retail tea prices are only slightly higher now than in 1960, but wholesale prices have declined significantly. U.S. tea consumption probably will keep climbing in the 1970's (though perhaps at a slower rate) mainly as the result of expanded use of the convenience tea products.

Key Words: Black tea, U.S. tea sources, tea price trends, tea consumption trends, and tea consumption projections.

Tea is the dried leaf of a broad leaved evergreen shrub, *Camellia sinensis*. It is the national drink of many countries, such as Mainland China, Japan, Taiwan, India, Pakistan, Russia, and England. Tea has apparently been cultivated for at least 40 to 50 centuries in the Orient. At one time, it was even used as money. While the plant will grow 15 to 30 feet tall, it is normally kept pruned to about 3 to 5 feet to facilitate picking.

Beverage tea is made by infusing its dried leaves in hot water. Instant soluble tea consists of the dry edible solids made by dehydrating an infusion of tea leaves and hot water. One pound of instant tea is equivalent to 3 pounds of tea leaves. Instant tea mix consists of instant soluble tea plus added sweetener and lemon or other flavoring.

Two Types of Tea

There are basically two types of tea, related to completeness of fermentation. If the leaf is dried but unfermented, green tea is the result. But if it is both fermented and dried, black tea is the result.[1] The same kind of leaf is used for producing both black and green teas—though not generally in the same locale.

Black tea dominates U.S. consumption, with 96 to 97 percent of its total consumption. Black tea also dominates world trade, and most of it is grown in India, Ceylon, and Pakistan.

While green tea is of minor importance in the United States and in world trade, it has been used longer and there is substantial production and consumption in the Orient. "All the tea in China," refers to green tea. Similarly, "the Boston Tea Party" featured the throwing of green tea into Boston Harbor. Commercial production of black tea was largely a 19th century development. Thus, the taste which developed in Europe, particularly in England, as well as in the United States and other English speaking countries, has been mostly for black tea.

Where Our Tea Comes From

Imports from Ceylon have dominated the U.S. market for many years, accounting for about 40 percent of U.S. consumption (figure 6). Imports from India, however, have declined from about 36 percent of the U.S. market in the early 1950's to less than 15 percent in recent years. Indonesian tea has managed to maintain a 12 to 14 percent share of the U.S. tea market. African grown teas—largely from Kenya and Malawi—have increased their share of the U.S. market from under 5 percent in the 1950's to about 20 percent in 1970. Rising imports from Africa reflect its expanded production in recent years.

Imports from all other areas have increased from nearly 10 percent of U.S. consumption in the early 1950's to over one-fifth in recent years. Some of these imports come from the Orient (largely from Taiwan and

[1] There is a third type, "Oolong," which is partially fermented and dried. But since it is of minor importance both in the United States as well as in total world consumption, it has been ignored in this analysis.

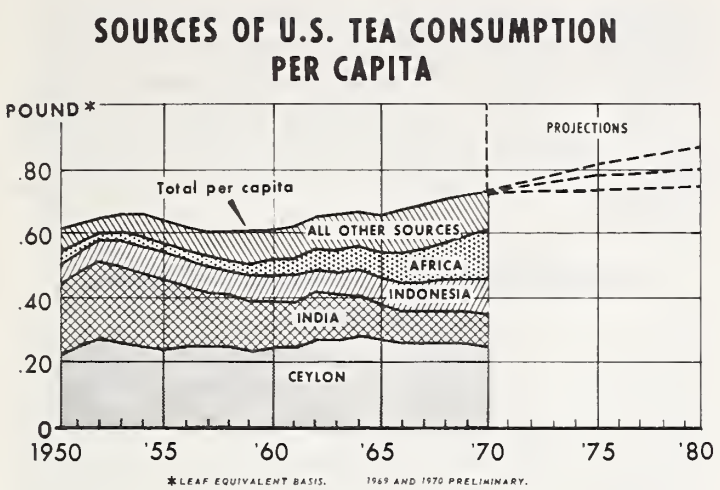

Figure 6

Japan) and from Latin America (mostly from Argentina). But about half of this consists of reexports from Canada and Europe (primarily from the Netherlands).

Tea—including instant soluble tea—is imported into the United States duty-free. However, instant tea mix preparations containing added sweetener and lemon or other flavoring materials are currently dutiable at 14 percent ad valorem. This levy is scheduled to decline to 12 percent in 1971 and to 10 percent by 1972.

Since the flavor of tea is delicate, considerable effort is made to market it from producer to consumer in less than a year. Imported tea is packed in plywood chests, lined with aluminum foil, to help maintain quality during shipment.

All U.S. tea imported for human consumption must be examined by the Board of Tea Examiners, a small section of the Food and Drug Administration, to insure it meets minimum standards as prescribed under the Federal Food, Drug, and Cosmetic Act and the Tea Importation Act. A small fee is charged for the examination. The quantity of tea rejected by the Board of Tea Examiners is typically less than half of 1 percent of total U.S. imports.

Tea Grades

The two basic types of black tea are leaf and broken grades. The leaf grades are larger than the broken grades but the latter are in greater demand. The breaking of the tea leaves intensifies the flavor and makes a stronger and darker tea than the leaf grades. U.S. consumers as well as those in most English speaking countries prefer the broken teas, which account for approximately 80 percent of the world production of black tea. The leaf grades are preferred in South America and Continental Europe, and normally sell for a somewhat lower price than the broken grades.

"Orange Pekoe", frequently associated with quality, is actually a size and style of tea leaves. It is one of several grades of black teas from India, Ceylon, Indonesia and East Africa. These areas generally grade tea as follows: Broken Orange Pekoe, Orange Pekoe, Broken Pekoe, Pekoe, Pekoe Souchong, Souchong, Fannings and Dust. Tea prices are related to the grade with Broken Orange Pekoe the highest priced and Dust the lowest priced. Fannings are used extensively in the Near East and Dust is most widely marketed in India. Imports of the lowest grades into the United States are nil.

Market Structure

Though per capita U.S. tea consumption is relatively small, 0.73 pound in 1969 compared with 8.5 pounds in England, the United States is second only to England in the quantity of tea imported annually. In 1969, the United States imported 140 million pounds compared with 420 million pounds (net imports) in England. India, Japan, Mainland China, and the Soviet Union are larger consumers of tea than the United States, but most of their tea is produced domestically.

Attempts to grow tea commercially in the United States have proved unsuccessful. It was found that tea plants in several areas (such as South Carolina) grew well, but U.S. labor costs were too high to compete with imported teas.

While imported tea is blended and packaged by many firms, 25 to 30 firms with national or regional distribution account for most of the volume packaged. Most of the firms that package tea also handle other imported products such as coffee, cocoa, or spices. There are also about 25 firms which produce and package instant soluble tea.

Tea Price Trends

Over the years, world tea prices have fluctuated less than the volatile prices of many other tropical products, such as coffee, cocoa, and sugar. Fluctuations in U.S. sugar prices have been substantially dampened by the administration of the U.S. Sugar Act, but U.S. cocoa and coffee prices continue to fluctuate, reflecting sharp changes in world supplies relative to world needs. Moreover, in recent years world coffee and sugar price fluctuations have been somewhat tempered by international agreements for both commodities. But there is currently no international agreement for tea. The general trend for world tea prices in recent years has been downward because world production has been increasing somewhat more rapidly than world consumption.

Tea prices vary widely depending on the area of production. Indian teas tend to be higher priced than most other teas imported into the United States (figure

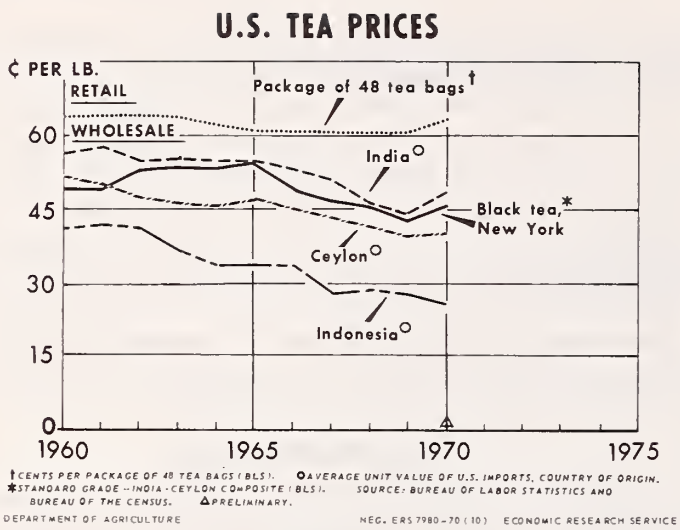

Figure 7

7). However, the level has declined from 56 cents per pound in 1960 to 47 cents per pound in 1970. Similarly, the average price of Ceylonese teas has declined from 51 cents per pound in 1960 to 40 cents per pound in 1970. African teas, particularly Kenyan teas, are often comparably priced with Ceylonese teas.

Imported Indonesian teas averaged 41 cents per pound in 1960, dropping to 26 cents in 1970. Indonesian teas are largely used for blending with other teas. Wholesale black tea prices in New York (Standard Grade—India-Ceylon composite) increased slightly from 49 cents per pound in 1960 to 54 cents in 1965, and since have declined to 45 cents in 1970.

The U.S. average price of a package of 48 tea bags declined from 64 cents in the early 1960's (1960-63) to 61 cents in the late 1960's (1965-69). It has since increased to an average of 64 cents per package in 1970, the same level as in 1960.

While tea prices declined in the 1960's, prices of other beverages increased considerably. For example, the U.S. average price of a half gallon of whole milk purchased in grocery stores increased 16 percent between 1960 and 1970.

Similarly, the average price of instant soluble coffee increased erratically from 94 cents per 6-oz. jar in 1960 to $1.05 in 1970, while the U.S. average price of roasted coffee increased irregularly from 75 cents per 1-lb. can in 1960 to 93 cents in 1970. Even more striking, the U.S. average price of cola drinks increased more than 50 percent during the last decade.

Per Capita Consumption Trends

Per capita tea consumption increased sharply from 0.61 pound (leaf equivalent basis) in 1960 to .73 pound in 1969. However, the 20 percent increase was not nearly as great as the 80 percent increase for soft drinks (figure 8). On the other hand, per capita coffee consumption declined to 14.1 pounds in 1969 from 15.8 pounds in 1960. Similarly, per capita consumption of fresh fluid milk of 282 pints in 1969 was down from 299 pints in 1960. Thus, while the increase in per capita tea consumption was less spectactular than for soft drinks, it was in contrast to the declines for coffee and fluid milk.

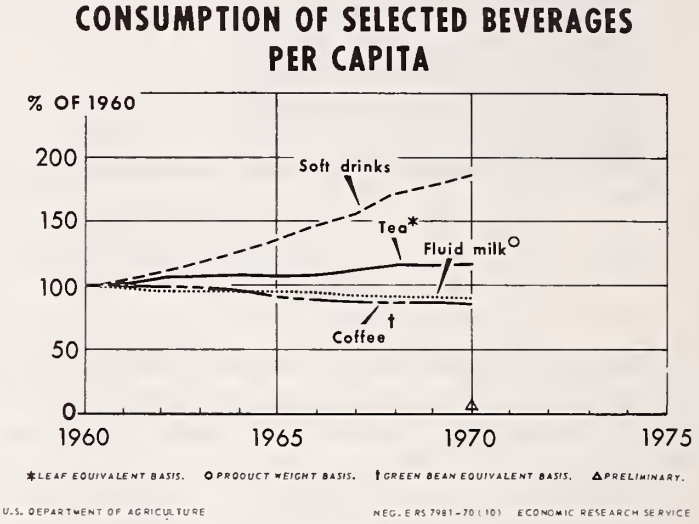

Figure 8

Not only has per capita tea consumption increased in recent years, but there have also been considerable changes in the type of consumption. In 1950, per capita consumption of instant tea was less than 1 percent of total consumption (leaf equivalent basis). But by 1960, this share increased to 6 percent of total tea consumption, and to over 33 percent in 1969 (figure 9). Nearly a fifth of the instant tea consists of instant tea mixes, with added sweetener, lemon, or other flavoring.

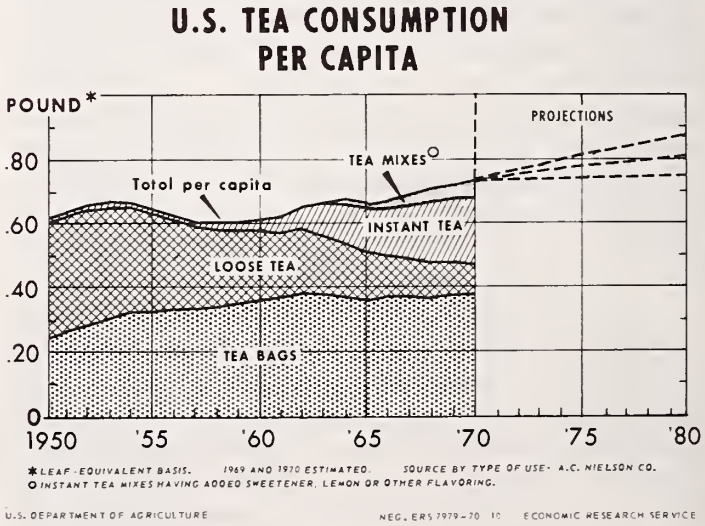

Figure 9

While instant tea, including tea mixes, reflects the most rapid growth component of tea consumption in recent years, tea bags still accounted for about one-half

of total tea consumption in 1969, down from nearly 60 percent in 1960 but up from 40 percent in 1950. Per capita consumption of loose tea declined from 60 percent of total tea consumption in 1950, to about 35 percent in 1960 and to 14 percent in 1969. Although the increase in consumption of instant tea has largely replaced loose tea, it has also helped to expand the total consumption of all tea.

An estimated two-thirds of U.S. tea consumption is in the form of iced tea. Here instant tea has a great advantage over loose tea or tea bags. It takes only a few seconds to mix with water, then add sweetener and flavoring (such as lemon). With loose tea and tea bags the water must be heated, then the tea must be added and steeped and then cooled, a relatively slow process. The recent introduction of 12 ounce 6-packs of canned tea beverage containing sweeteners and lemon is a further adaptation of convenience.

Thus, the increasing consumption of instant tea and tea mixes and the dominant consumption of tea in bags reflect an increasing demand for convenience items. Though loose tea is cheaper than tea bags or instant tea on a cost per serving basis, loose tea is inconvenient. Instant tea's share of total tea consumption is approaching 40 percent. However, instant coffee's share of total coffee consumption has never exceeded one-fifth despite the publicity by the recent introduction of freeze-dried coffee.

Calendar year	Total[1]	Per capita[1]
	Mil. lb	*Lb.*
	Past trends	
1960	105	0.59
1961	110	.61
1962	117	.64
1963	123	.66
1964	127	.67
1965	130	.68
1966	133	.69
1967	135	.69
1968	143	.72
1969	145	.73
1970[2]	150	.74
	Projections	
1975		
Low	164	.74
Average	172	.78
High	180	.82
1980		
Low	180	.75
Average	195	.81
High	210	.87

[1] Leaf equivalent basis.
[2] Preliminary.

Prospects for Tea

Per capita tea consumption is likely to continue upward in future years, though at a declining rate. The big plus which will likely continue to boost tea consumption in future years is rising consumption of instant tea and tea mixes. Let us compare the level of tea consumption for 1960-70 with prospective levels in target years 1975 and 1980.

The low estimate indicates probable tea consumption levels in 1975 and 1980 if per capita consumption doesn't increase much in the next decade. The average estimate reflects likely levels allowing for some slowing of increases in the per capita consumption in the 1960's. The high estimate reflects the likely level of per capita tea consumption if increases in the 1970's are comparable to increases in the 1960's.

Instant tea's share (including tea mixes) of U.S. tea consumption will likely continue to increase, perhaps approaching 50 percent of the market by 1980. On the other hand, the share of U.S. tea consumption prepared from tea bags will probably decline slowly in the next 10 years, and its share will probably be somewhat less than 50 percent by 1980. Similarly, loose tea's share of U.S. consumption is expected to continue to decline.

ANNUAL OUTLOOK CONFERENCE SCHEDULED FOR FEBRUARY 1971

The National Agricultural Outlook Conference is scheduled for February 23 to 26, 1971. The Conference will give emphasis to the general domestic and international economic situation with time also devoted to the Commodity Sessions.

Table 15.—Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All food 6/	Industrial commodities 7/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	105.8	105.1	105.4	86.0	125.3	121.9	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968 8/	93.9	108.3	102.2	110.2	103.5	107.7	91.0	135.4	127.7	114.2	100.1	118.1	116.2	109.5	114.2	112.2	109.0	108.8
1969	112.9	111.0	108.5	119.5	116.4	119.4	97.7	148.6	131.9	115.7	103.5	120.2	123.6	112.9	119.8	119.0	112.7	113.0
January	122.3	112.0	104.9	112.5	106.6	110.1	92.6	145.1	130.1	113.6	101.1	119.3	119.2	110.8	116.0	115.5	110.9	110.7
February	108.1	108.7	105.0	111.6	105.3	109.8	95.1	146.0	130.2	114.5	102.9	119.3	119.2	111.1	116.3	115.0	111.4	111.1
March	110.9	112.1	106.5	115.3	101.8	110.6	96.1	147.5	130.4	115.1	103.1	119.3	119.5	111.3	116.4	115.7	112.0	111.7
April	97.3	106.8	105.6	120.4	102.7	113.8	92.7	143.3	131.4	115.4	103.3	119.3	120.2	111.4	117.3	115.4	112.1	111.9
May	80.6	126.7	110.5	129.0	110.9	121.3	98.8	146.2	132.5	115.7	103.3	119.4	122.7	111.8	119.4	119.0	112.2	112.8
June	85.9	112.9	111.2	134.2	121.3	128.5	98.4	144.3	133.0	115.6	103.3	119.7	123.0	112.4	121.4	119.9	112.2	113.2
July	117.0	103.1	110.5	130.2	126.5	128.9	100.0	151.0	133.0	116.6	102.1	119.9	122.3	112.6	122.0	120.7	112.4	113.3
August	100.5	106.7	108.9	122.1	123.5	124.8	104.1	146.9	133.0	116.8	102.1	120.1	127.2	112.6	121.5	119.9	112.8	113.4
September	122.5	103.4	108.4	118.9	124.5	123.1	100.0	150.0	133.4	116.6	102.1	120.4	127.2	113.1	121.3	120.1	113.2	113.6
October	113.8	101.3	107.9	113.4	124.0	120.3	97.1	150.2	130.7	116.0	104.7	121.2	127.7	115.0	121.6	119.8	113.8	114.0
November	139.8	125.3	111.1	112.4	123.6	119.8	97.7	157.6	131.2	116.3	106.5	121.9	127.9	116.0	121.8	123.1	114.2	114.7
December	155.8	112.4	111.7	114.1	125.8	121.4	100.2	154.5	133.9	116.4	108.0	122.0	127.1	116.1	122.6	123.3	114.6	115.1
1970																		
January	152.2	116.6	112.5	119.5	130.2	124.9	106.8	158.6	133.9	116.9	107.5	122.3	129.1	117.4	125.1	125.0	115.1	116.0
February	136.9	117.2	113.7	118.2	128.1	124.5	100.9	160.0	134.1	117.3	107.5	123.3	127.7	118.3	125.2	124.5	115.5	116.4
March	120.1	118.2	114.3	125.2	125.7	127.2	104.7	155.8	133.1	116.5	112.4	123.7	127.4	118.4	124.9	124.9	115.8	116.6
April	94.9	112.7	111.3	126.8	118.7	125.5	98.9	154.3	135.1	117.5	113.6	124.6	128.7	118.8	124.9	123.2	116.2	116.6
May	79.7	123.5	111.0	122.0	118.7	122.7	99.4	151.1	135.4	118.1	113.1	124.6	129.4	120.3	124.1	122.8	116.6	116.8
June	85.3	122.2	111.3	122.3	122.5	124.6	94.1	154.9	135.4	118.5	113.2	124.6	130.4	120.3	124.8	123.5	116.7	117.0
July	111.2	112.6	113.1	126.2	128.5	127.2	98.6	154.6	135.7	118.9	113.2	125.8	132.3	120.4	126.6	124.9	116.9	117.7
August	89.6	99.6	108.2	123.6	120.4	122.9	94.7	156.5	136.2	119.6	114.5	126.5	132.4	121.1	126.1	122.3	117.1	117.2
September	117.6	113.4	111.8	121.2	115.8	120.0	99.0	158.0	135.8	120.1	114.5	127.9	133.6	121.5	126.2	124.3	117.4	117.8
October																		
November																		
December																		
	Seasonally adjusted																	
1969																		
January	128.1	112.9	105.3	—	—	—	—	—	130.1	112.7	110.0	—	118.3	—	115.7	—	—	—
February	111.1	106.8	104.5	—	—	—	—	—	130.6	114.5	102.1	—	118.3	—	116.1	—	—	—
March	110.1	109.0	106.3	—	—	—	—	—	131.2	115.2	102.7	—	119.5	—	117.1	—	—	—
April	106.1	102.1	105.1	—	—	—	—	—	132.2	115.5	103.4	—	120.9	—	118.6	—	—	—
May	96.1	117.4	109.6	—	—	—	—	—	133.8	115.9	103.7	—	123.4	—	120.2	—	—	—
June	95.3	111.8	111.3	—	—	—	—	—	133.1	115.4	104.1	—	123.2	—	120.7	—	—	—
July	124.5	98.9	108.5	—	—	—	—	—	132.7	116.7	102.6	—	122.4	—	120.7	—	—	—
August	98.0	112.8	108.7	—	—	—	—	—	132.7	118.0	102.6	—	127.5	—	121.1	—	—	—
September	102.3	111.2	108.3	—	—	—	—	—	132.6	117.8	102.1	—	127.3	—	120.5	—	—	—
October	109.0	108.6	109.5	—	—	—	—	—	129.7	115.7	104.9	—	127.4	—	121.7	—	—	—
November	129.3	126.2	112.8	—	—	—	—	—	130.7	115.4	106.3	—	127.5	—	122.4	—	—	—
December	139.7	114.6	112.4	—	—	—	—	—	133.1	115.7	107.6	—	127.0	—	122.8	—	—	—
1970																		
January	158.0	115.3	112.7	—	—	—	—	—	134.3	116.7	107.1	—	128.6	—	125.0	—	—	—
February	136.6	114.9	113.5	—	—	—	—	—	134.8	117.3	106.8	—	127.4	—	125.2	—	—	—
March	117.3	114.8	114.0	—	—	—	—	—	134.3	116.6	111.8	—	127.5	—	125.7	—	—	—
April	102.6	111.8	111.3	---	—	—	—	—	136.1	117.7	113.4	—	129.5	—	126.2	—	—	—
May	98.3	111.8	109.4	---	—	—	—	—	136.1	118.2	113.2	—	130.1	—	124.6	—	—	—
June	97.4	121.8	109.5	—	—	—	—	—	134.9	118.5	113.5	—	130.7	—	123.7	—	—	—
July	117.1	107.0	111.1	---	---	---	---	---	135.3	118.9	113.9	---	132.0	---	125.1	---	---	---
August	90.7	105.5	108.5	---	---	---	---	---	135.9	120.3	115.3	---	132.0	---	125.6	---	---	---
September	99.5	123.7	112.7	---	---	---	---	---	134.9	120.9	114.8	---	133.5	---	125.4	---	---	---
October																		
November																		
December																		

1/ For earlier annual data, see table 106, Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, page 179, by Stephen J. Hiemstra. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks and alcoholic beverages. 8/ Revised.

Bureau of Labor Statistics.

Table 16.--Retail food price indexes and Consumer Price Index, selected periods 1/
(1957-59=100)

Year and month	Food at home																		Food away from home	All food	Consumer Price Index, less food	Consumer Price Index
	Meats			Poultry 3/	Fish	Eggs	Dairy products 4/	Fats and oils 5/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total							
	Beef and veal	Pork	Total 2/						Fresh	Processed	Total											
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	6/	84.7	79.7	81.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.7	103.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.3	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	110.4	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	106.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.0	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.8	116.3
1968	117.7	115.0	116.4	91.7	123.8	95.3	120.6	104.0	136.0	115.3	126.8	119.0	118.6	101.0	115.9	136.3	119.3	121.9	121.2
1969	129.5	125.2	126.8	96.9	130.6	112.1	124.5	104.0	138.1	116.3	128.4	122.4	125.1	103.7	121.5	144.6	125.5	128.6	127.7
January	121.1	115.7	118.6	90.8	127.0	119.8	122.7	103.5	136.4	115.3	127.0	120.5	122.7	102.3	118.3	140.3	122.0	124.9	124.1
February	121.3	116.6	119.0	92.3	127.7	116.2	122.8	103.6	132.3	115.3	124.7	120.8	123.1	102.2	118.1	140.7	121.9	125.6	124.6
March	121.4	116.4	119.1	94.2	127.7	108.5	123.0	103.9	137.2	115.8	127.6	121.2	123.8	102.5	118.5	141.3	122.4	126.8	125.6
April	125.1	117.5	121.2	95.3	128.4	109.8	122.9	103.6	137.6	115.9	127.9	121.3	124.4	102.6	119.3	142.2	123.2	127.5	126.4
May	127.9	118.8	123.4	93.3	129.5	97.4	123.6	104.1	140.9	116.3	130.0	121.6	124.7	102.7	119.8	142.8	123.7	127.9	126.8
June	134.6	126.1	129.5	97.3	129.8	92.5	124.0	104.0	142.4	116.3	130.8	122.0	125.2	103.4	121.8	143.7	125.5	128.4	127.6
July	136.8	129.0	131.7	100.4	130.6	95.6	124.4	103.7	145.0	116.4	132.3	122.6	125.3	103.3	123.0	144.8	126.7	128.8	128.2
August	135.4	130.2	131.9	101.4	131.5	114.4	125.0	103.7	141.0	116.7	130.2	122.6	125.4	103.8	123.6	145.8	127.4	129.3	128.7
September	135.0	133.7	133.1	102.0	132.2	113.8	125.5	103.7	134.9	116.9	126.8	123.0	126.0	103.7	123.6	146.7	127.5	130.0	129.3
October	132.9	132.7	132.0	98.2	133.4	114.5	125.8	104.0	130.1	116.6	124.0	123.7	126.4	104.3	122.9	148.1	127.2	130.8	129.8
November	131.5	132.0	131.1	99.1	134.0	122.3	126.3	104.8	135.4	116.8	127.0	124.1	126.6	106.1	123.8	149.0	128.1	131.4	130.5
December	130.6	133.3	131.3	97.9	135.4	140.6	127.6	105.6	144.1	117.1	132.1	124.9	127.5	107.4	125.8	149.9	129.9	131.9	131.3
1970																			
January	132.2	135.6	132.9	99.5	137.0	143.0	128.4	106.3	141.9	117.1	130.9	125.5	128.1	109.1	126.6	150.6	130.7	132.3	131.8
February	133.0	137.2	133.9	99.1	138.3	141.0	128.8	106.8	144.5	117.3	132.4	126.3	128.6	110.7	127.4	151.5	131.5	133.0	132.5
March	133.6	137.9	134.7	97.9	139.8	122.6	129.4	107.3	145.7	117.3	133.1	127.0	129.7	112.4	127.4	152.4	131.6	133.8	133.2
April	136.5	135.9	135.6	97.1	141.1	103.6	129.5	109.3	148.0	118.0	134.7	127.6	130.5	114.0	127.4	154.0	132.0	134.8	134.0
May	135.9	134.8	135.0	97.1	142.3	97.7	129.9	111.4	151.5	118.3	136.8	128.0	131.8	115.2	127.8	154.7	132.4	135.5	134.6
June	135.3	134.4	134.5	97.4	143.2	91.9	130.2	111.9	155.9	118.6	139.4	128.2	132.2	116.5	128.0	155.3	132.7	136.1	135.2
July	136.6	134.9	135.2	97.5	143.4	105.3	130.6	112.6	152.2	119.1	137.5	128.8	132.7	117.7	128.7	156.2	133.4	136.6	135.7
August	137.2	135.9	135.8	95.6	144.5	103.2	130.8	113.0	147.5	119.3	135.0	130.1	133.2	118.4	128.6	156.8	133.5	136.9	136.0
September	136.8	133.7	134.7	93.8	146.0	112.1	131.3	113.3	139.8	120.1	131.0	130.6	133.6	119.4	128.2	157.4	133.3	137.8	136.6
October																			
November																			
December																			
	Seasonally adjusted																		
1969																			
January	121.5	116.5	119.0	94.1	126.5	116.5	122.3	---	141.2	---	129.6	---	---	---	118.5	---	122.2	---	---
February	121.5	117.4	119.1	91.4	127.3	112.4	122.8	---	134.0	---	125.6	---	---	---	118.3	---	122.1	---	---
March	121.8	117.3	119.5	93.2	127.4	110.3	123.2	---	136.7	---	127.3	---	---	---	118.9	---	122.8	---	---
April	126.5	121.0	122.7	96.1	128.3	111.9	123.5	---	134.8	---	126.4	---	---	---	119.7	---	123.6	---	---
May	128.7	124.5	125.9	95.4	129.4	106.6	124.1	---	135.9	---	127.1	---	---	---	120.3	---	124.2	---	---
June	134.9	126.5	130.0	99.9	129.9	103.6	124.5	---	135.2	---	127.0	---	---	---	121.8	---	125.5	---	---
July	136.9	126.2	131.0	101.4	130.7	104.3	124.6	---	131.1	---	124.5	---	---	---	122.0	---	125.8	---	---
August	134.9	125.1	130.0	101.1	131.6	116.4	124.9	---	136.6	---	127.8	---	---	---	122.4	---	126.4	---	---
September	133.5	129.3	131.0	101.4	132.3	106.5	125.1	---	142.3	---	131.0	---	---	---	123.2	---	127.1	---	---
October	131.8	129.8	130.6	100.3	133.9	104.3	125.2	---	138.4	---	128.9	---	---	---	122.9	---	127.1	---	---
November	131.4	132.5	131.1	102.9	134.5	120.1	125.7	---	143.4	---	131.5	---	---	---	124.5	---	128.6	---	---
December	130.9	135.5	132.1	101.2	135.4	130.9	127.1	---	150.6	---	135.2	---	---	---	126.2	---	130.3	---	---
1970																			
January	132.9	136.8	133.7	103.1	136.5	138.7	128.1	---	144.1	---	132.0	---	---	---	126.7	---	130.8	---	---
February	133.5	138.4	134.6	97.7	137.9	133.5	128.9	---	146.7	---	133.5	---	---	---	127.7	---	131.8	---	---
March	134.1	139.6	135.9	94.9	139.8	123.6	129.8	---	144.8	---	132.6	---	---	---	127.9	---	132.0	---	---
April	137.7	139.8	137.4	93.5	141.0	104.6	130.2	---	145.7	---	133.5	---	---	---	127.8	---	132.4	---	---
May	136.4	139.8	137.3	96.6	142.2	108.1	130.3	---	146.5	---	134.0	---	---	---	128.4	---	132.9	---	---
June	135.2	134.4	134.0	96.0	143.3	105.8	130.2	---	148.5	---	135.5	---	---	---	127.7	---	132.4	---	---
July	136.3	131.9	133.7	94.3	143.5	117.8	130.9	---	140.8	---	131.3	---	---	---	127.6	---	132.5	---	---
August	135.7	131.7	133.7	91.5	144.6	100.7	130.8	---	142.8	---	132.5	---	---	---	127.3	---	132.4	---	---
September	135.0	129.3	132.4	89.1	146.3	107.0	131.2	---	145.9	---	134.5	---	---	---	127.8	---	132.9	---	---
October																			
November																			
December																			

1/ For earlier annual data, see table 96, Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968, page 165, by Stephen J. Hiemstra. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 4/ Includes butter. 5/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 6/ Data not collected prior to 1953.

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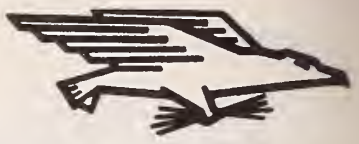

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